CONGRESSIONAL BLACK CAUCUS INSTITUTE

21st Century Council

2019 Annual Report

21st Century Council
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21st Century Council
Executive Committee

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EXECUTIVE DIRECTOR'S LETTER

January 28, 2019

I'm pleased to present the Congressional Black Caucus Institute's 21st Century Council Annual Report.

The 2019 Annual Report comes after significant changes in legislative branches of government throughout the nation. However, as in the past, the report is not affected by partisan politics. It remains non-partisan and policy based. It reflects the policies that our diverse membership believes are crucial to moving our country forward.

Being at the intersection of business and policy, the 21st Century Council's membership is comprised of professionals from almost every sector of business and industry who are actively engaged in identifying major issues affecting their organizations and the nation.

Each quarter, members participate in discussions with industry professionals and policy makers to create actionable solutions to policy and regulatory concerns. The resulting year-long discussions represent the convening of diverse minds and myriad viewpoints working in cooperation to address our nation's challenges.

This year's report was carefully crafted to address the nation's greatest concerns from infrastructure to the Census. The recommendations in this report, as in the past, will be delivered to the President of the United States, Cabinet members, the United States Congress, state and local government officials, and the American people. They are categorized as follows:

- Communications & Technology
- Education
- 2020 Census
- Healthcare
- Energy
- Reducing Recidivism
- Financial Services
- Transportation
- National Security

Thank you to the Council, Board of Directors, and staff for your unrelenting commitment to producing a stellar and timely report; and special thanks to the Members of the Congressional Black Caucus for your continued support.

Sincerely,

Vanessa Griddine-Jones

Vanessa Griddine-Jones

COMMUNICATIONS & TECHNOLOGY

Whether it's broadband or broadcast, communications and technology are essential in today's society. Broadband access eliminates the need to travel long distances for educational opportunities, and paves an easier path to quality health care and global markets. Local radio and television broadcasters provide communities with free over-the-air content—including music, news and public affairs, sports, and entertainment programming—via targeted broadcasts that represent diverse views within individual communities. All this is in addition to vital information, such as emergency warnings, America's Missing: Broadcast Emergency Response (AMBER) alerts and lifesaving weather reports. Protecting these resources is crucial.

Broadband Investment and Deployment

Realizing the importance of broadband, U.S. providers invested more than $1.6 trillion in broadband networks from 1996 to 2017. In fact, three of the top 10 companies to invest in America for five years in a row (2011-2015) were broadband providers, and hailed by the Progressive Policy Institute as "Investment Heroes" as a result. Undoubtedly, the internet economy has rested on record cycles of investment and innovation by America's broadband providers.

These investments have led to the widespread deployment of some of the world's most advanced broadband networks. FCC data as of June 2017 states that 93% of Americans have access to fixed terrestrial broadband at speeds of 25 megabits per second (Mbps) downstream and 3 Mbps upstream, and 98% of urban populations have such access. Fixed terrestrial deployment is even more widespread, at speeds of 10 Mbps downstream and 1 Mbps upstream, with 96% of Americans having such access. Both speed tiers are easily capable of supporting video calling, cloud data services and television streaming from multiple devices. Further, FCC data shows that 83% of Americans have access to networks capable of 100 Mbps downstream and 10 Mbps upstream. By comparison, the European Commission reports that only 58% of European Union homes have access to these speeds. Such investment, along with the related innovations to support it, has laid the groundwork for the unrivaled internet-based economy that has grown and thrived in the U.S.

In this dynamic environment, the products, services and companies that support or utilize the internet are intensely interrelated, and interference with any part of this ecosystem impacts other areas. The foundation of this ecosystem, however, is provided by America's broadband networks, and actions that limit network investment will therefore unintentionally hinder innovation and economic growth, putting jobs at risk—jobs that are currently abundant.

The mobile app economy alone in this country has created more than 1.729 million jobs as of December 2016, according to the Progressive Policy Institute, and investments in wireless broadband infrastructure have created another 1.6 million U.S. jobs since 2007. Broadband also supports jobs in information and communications technology (ICT). According to US Telecom, broadband supports nearly 10.8 million jobs in the U.S., which includes ICT jobs plus ICT-related jobs in other industries.

Internet service providers are continuing to invest tens of billions of dollars annually to develop next generation broadband networks. Cable providers are already delivering these services, having quadrupled their top internet speeds between 2013 and 2018 from 505 megabits per second to 2 gigabits per second, and are continuing to densify fiber and provide backhaul services that will be the foundation for 5G wireless services. Consumers and

businesses are already benefiting from widespread deployment of these networks. For example, in July 2018, Comcast announced that it has launched 1 gigabit per second services across virtually its entire footprint.

While broadband supports many jobs, broadband network providers are significant employers themselves. According to data from the Communications Workers of America and the National Association for the Advancement of Colored People (NAACP), the 15 largest network providers employed 886,000 people in 2016. Network providers are important employers for minority communities in particular. African American workers have a larger share of jobs at network companies at 14%, compared to holding just 12% of jobs nationwide.

Broadband Adoption

Even with numbers that show the U.S. is the most technologically advanced country on earth, too many people are still without broadband. According to data from the Census Bureau, minorities and those with lower levels of education are less likely to subscribe to broadband at home. As of 2017, 88% of white households subscribe to broadband, while only 80% of African American households and 84% of Hispanic households subscribe. Among households with a college degree, 95% subscribe to broadband, compared to 68% without a high school diploma, and 84% with a high school diploma or some college.

Researchers from the FCC, NTIA, and others have explored the possible causes for this broadband adoption gap. The most widely-cited cause is a lack of digital literacy, including a perceived lack of relevance of the internet; that is, a lack of understanding as to its value or usefulness.

Attacking the digital divide can only happen through relentless, sustained grassroots efforts to educate and engage families at the local level, and is the shared responsibility of multiple stakeholders—including elected officials at all levels, educators, community leaders, non-profits, and businesses. These efforts must offer solutions specifically tailored to communities experiencing low broadband adoption rates, and contain wrap-around solutions that address all drivers of broadband adoption. Private sector programs have made strides to close the digital divide by offering low-cost broadband services—together with digital literacy training via print, online, and in-person sources—to low-income families with school-age children who are not currently connected to broadband internet at home.

The Value of Broadcasting

As a free, ubiquitous service, broadcast television is important in today's media environment, and is an increasingly relied upon platform in diverse communities. The number of broadcast-only households in the United States continues to rise, jumping nearly 16% from 2016 to 2017, according to Nielson. More than 30.6 million households—a quarter of all TV homes—receive television through over-the-air broadcast signals, FCC statistics show. Of that number, nearly 4.6 million are African-American homes, representing over 7.5 million African-American over-the-air viewers.

Also according to the FCC, U.S. consumers rely on nearly 33,000 television and radio broadcast stations nationwide to receive their favorite movies, shows, sports, news and entertainment. This includes approximately 25,000 AM/FM stations and nearly 8,000 free local television broadcasters (including Class A and low-power stations), which deliver national and local information to their communities reflecting the rich diversity of their viewers and listeners.

In an ever-evolving media environment where more choices exist for content than at any time in history, many consumers rely on free broadcast television as an integral part of their daily lives. For African Americans this reliance is disproportionate, and outpaces other population groups. In urban areas such as Memphis, Detroit, Baltimore, and New Orleans, the numbers are significant; 63%, 48%, 47%, and 42%, respectively, of broadcast-only homes are African American.

Radio is also a medium that continues to grow in popularity, with more Americans tuning in to radio than any other platform, according to Nielsen, with 94% of all Americans listening to AM/FM radio every week. Monthly, radio's reach includes 97% of Generation X (80.5 million listeners); 95% of Millennials (71.6 million listeners); 98% of Baby Boomers (41.2 million listeners); and 94% of teens, ages 12-17 (23.6 million).

Radio listenership is also consistently high, and growing for African Americans and Hispanics, at 97% and 96%, respectively. This equals 34.6 million African Americans and 44.6 million Hispanics who rely on and listen to AM/FM radio every month.

The growing reliance on broadcast television and radio translates into positive national economic impact. Local radio and television broadcasting equal $1.18 trillion of GDP, and provide 2.42 million jobs annually, according to Woods & Poole Economics.

Broadcast Reach and Diversity

Safeguarding access to free, broadcast radio and television is a priority to help ensure that viewers and listeners, including those in the most vulnerable communities, have affordable access to information, news, entertainment and services. Broadcasters promote opportunities for minority ownership as well, allowing for the development of television and radio station owners whose signals reach across large populations, and for those whose low-power signals provide targeted community/neighborhood-level broadcasts.

The effort to promote and develop diverse broadcast ownership, which in turn, can stimulate diversity in programming, takes multiple routes, including: calling on Congress to incentivize ownership opportunities, working with the FCC to promote diversity of voices and ownership, and developing financial resources to ensure potential minority broadcasters have access to capital. For example, through its recently established Advisory Committee on Diversity and Digital Empowerment, the FCC has proposed an incubator program to promote diversity for new entrants and existing radio station owners. This program helps address the lack of access to capital, and technical expertise required, to operate a radio broadcast facility. As a result of these efforts, the ability of local broadcasters to serve their communities can be expanded, and niche stations—including religious broadcasters and smaller independent owners who serve communities of color—will be cultivated and advanced.

The Future of Broadcasting

Innovation in broadcasting should also be encouraged to provide viewers with new services, including enhanced emergency alerts, improved mobile reception and higher quality video and audio output. The transition to Next Generation TV, also known as Ultra High Definition TV, could facilitate these benefits for viewers.

Additionally, policymakers should ensure viewers and listeners who rely on local stations are not unintentionally left in the dark as stations are required to move to new frequencies over the next three years as a result of the broadcast spectrum incentive auction.

Recommendations

- Formulate policies that buoy investment in broadband networks, to continue the economic growth that the broadband industry has created.
- Encourage the FCC to continue prioritizing and promoting broadband deployment, via targeted programs that deploy broadband to unserved rural and disadvantaged communities in a timely fashion.
- Create legislative work groups composed of elected officials, consumers and the business community to set forth recommendations to educate minority communities about the benefits of broadband usage.
- Encourage policies that foster access to free over-the-air broadcasting and ensure disadvantaged communities have continued access to local and diverse programming, news, entertainment, information, enhanced emergency alerts and community developments.
- Encourage innovation in broadcasting, such as Next Gen TV, and enabling the hardware in mobile devices that can receive free FM signals without relying on a data connection.
- Develop and support legislative and regulatory priorities that incentivize and promote ownership diversity in broadcasting.

EDUCATION

Education—especially public school education—continues to be a key component in the advancement of students of color. According to the U.S. Department of Education, over 8 million African American children attend public school, and approximately 400,000 are in private schools. Of those attending public schools, about 500,000 are enrolled in charter schools, meaning that the overwhelming majority of African American children receive their preparation for life, college and careers from the public school system.

While strides have been made in test scores, many obstacles still exist, like inadequate funding, the misperception that African American students possess inherent learning disabilities and discipline problems, privatization schemes, and opportunity gaps. Reports from the Schott Foundation, the Education Trust and others indicate that only 35% of African American students with high math scores in fifth grade are enrolled in algebra in eighth grade, compared to more than 60% of similar white students. Similar disparities persist in the areas of reading, history, geography and civics. Just as bad, 66% of African American students graduate from high school on time, compared with 86% of white students.

Education is known as the great equalizer, yet too many children are being denied access. Over 55 years ago, in Brown vs. Board of Education, the U.S. Supreme Court acknowledged that African American students were being denied their constitutional right to an integrated and equitable public education. Today our schools remain segregated and unequal. By short-changing some students, we short-change our entire nation.

A decade after the great recession, our schools remain nearly $19 billion short of the annual funding they received in 2008. State colleges remain nearly $15 billion short. The Alliance to Reclaim Our Schools report entitled Confronting the Education Debt shows that U.S. public schools were underfunded by $580 billion in Title I and IDEA federal dollars alone between 2005 and 2017. These are resources that would have otherwise helped support 30 million African American and low income students.

Shortchanging schools by billions of dollars results in an inadequate learning environment for many students, including out-of-date textbooks and technology, large class sizes, classrooms that run too hot or cold, buildings in desperate need of basic maintenance, and more. Disinvestment in higher education is equally harmful, giving rise to a precarious workforce, limited course offerings, fewer support for students, and ever higher tuition costs. On top of all of this, state-by-state protests have highlighted the low pay teachers receive, alongside severe student debt.

School Funding

While major reforms with strong bipartisan support replaced No Child Left Behind, a gap still exists in the funding formula for public education that affects students of color more than any other ethnic group.

Inadequate funding for education on the state level is a major culprit. The Center on Budget and Policy Priorities found that 31 states provided less state funding per student in 2014 than 2008, with at least 15 states cutting funding more than 10%. These figures are especially important considering that 46% of K-12 spending nationwide comes from state funds, and even more so in states with large black populations like Louisiana, Alabama, South Carolina and Georgia.

This funding reduction affects several aspects of education. The Center on Budget and Policy Priorities discovered that the number of public K-12 teachers and other school workers fell by 297,000 since 2008, while the student population rose by 804,000—and the resulting increase in the student-teacher ratio has led to less time teachers can spend developing students individually. Further, spending for Title I is down 11% since 2011, and down 9% for disabled student education. Meanwhile, spending to build and renovate schools is down 37% between 2008 and 2013. The result—deteriorating, overcrowded schools—leads to an environment that can be much harder to focus within, further debilitating the education experience.

Another major contributing factor is the need for more African American teachers. According to the National Center for Education Statistics, of the 3.2 million public school teachers currently educating the nation's 49 million children, only 6% are Hispanic and 7% are African American. In schools where the majority of students are Native American, only 19% of the teachers are Native.

Of more than 13,500 public school superintendents, the Association of Latino Superintendents and Administrators estimates that 250 are Hispanic, and the National Alliance of Black School Educators estimates 363 are African American. Yet by the year 2020, the U.S. Census predicts that the shared African American and Hispanic student population is predicted to increase from the current level of 38% to 52%.

Numerous studies indicate that teachers of color are disproportionately assigned to schools that are under-resourced, and in urban areas where crime, gang violence and other issues add to the challenges they face. Additionally, students of color and poor students are 70% more likely than their white and affluent peers to not have a teacher who's certified in math, English, science and social studies teaching them these four core subjects. They're also more likely to have a teacher who does not have a college major or minor in the subject area being taught.

Teacher diversity matters. According to the Shanker Institute, students with a significant concentration of teachers who share their cultural, linguistic, racial and national background are less likely to be expelled or suspended, more likely to be recommended for gifted education, less likely to be misplaced in special education and more likely to graduate from high school on time.

Student Debt

Recent federal data demonstrates that college completion is a necessary but insufficient solution to inequality challenges. According to the Center for American Progress analysis, our federal student loan system provides African American borrowers only a 50-50 shot for success.

Regardless of the type of institution first attended, African American students are more likely to borrow than their peers—a difference that speaks to the disparity in financial means that black students have upon entering college. Urban Institute research reveals nearly 78% of African American students took out federal student loans to finance their higher education, compared with 57% of white students. Accordingly, in 2016, 42% of African Americans had student loan debt, compared with 34% of similar white families.

Even African American students who complete a bachelor degree struggle to repay their loans. Among those who entered college in 2003, twelve years later the typical African American borrower who completed a bachelor's degree owed 114% of what they originally borrowed, compared to 47% for whites. Worse, 49% of African American students who borrowed for their undergraduate education defaulted on a federal student loan, representing the highest default rate of all borrowers.

This occurred during a period when default rates for students at for-profit colleges rose dramatically—although not all for-profits are the same, and care must be taken not to apply a broad policy brush across them. However, it helps illustrate why better data is needed across all sectors of higher education: to develop policies that reduce both costs and student loan defaults, no matter the type of institution.

To understand how student debt may have impacted African American families, the Federal Reserve Bank of St. Louis investigated shifts in wealth at the beginning and end of the Great Recession. The results are alarming. White families headed by a college graduate generally fared much better than their less-educated counterparts, yet black families headed by a college graduate lost 23% more wealth than their less-educated counterparts.

The role of student debt in the widening of the racial wealth gap is further explored in a University of Wisconsin study, which found that the gap in student debt between black and white borrowers grows by 6.8% each year. As a result, young black adults hold 10.4% less wealth on average than their white counterparts, due solely to differences in student loan debt.

One solution for markedly decreasing student debt: support and expand Internal Revenue Code section 127, which allows employees to exclude employer-sponsored tuition assistance from their gross income. The original benefit amount of $5,250 was intended to allow employers to cover the entire cost of an employee's education—and that amount hasn't been adjusted in almost 40 years despite higher education costs skyrocketing 1,120% during that time. With 913,000 students receiving section 127 benefits and roughly half of U.S. employers offering college education assistance, sufficiently expanding the amount covered can make a huge difference in eliminating wealth disparities due to student loan debt.

School-to-Prison Pipeline

According to CNN, the cost to educate a student in America ranges from $5,000 to $15,000 annually, while the cost to house an inmate is $15,000 to almost $60,000—and the cost is rising. In fact, a report by the Center on Budget and Policy Priorities shows that if states spent the same inflation-adjusted amount on corrections now as in the 1980s, $28 billion more would be available each year to invest in education.

Instead, however, America is investing in a "school to prison" pipeline: policies and practices that push our nation's most at-risk schoolchildren out of the classroom and into the criminal justice system. We've effectively prioritized incarceration over education.

Practices within the educational system are just as guilty as policies. Students requiring discipline are often labeled "behavior disordered" or in need of "special education." The Council of Great City Schools found that African

American and Hispanic youth constitute almost 80% of special education students. Similarly, African Americans make up 20% of students classified as mentally challenged, despite being only 9% of the student population. Once labeled as such, a student will stay in the special education pipeline and not receive adequate support to be successful.

Female minority students have it even worse. For example, the University of Pennsylvania found that African American girls are singled out for more frequent school discipline, making up 45% of school suspensions and 42% of school expulsions. Instead of being labeled and siloed, we need resources to identify the underlying causes of behaviors that require discipline, so these causes can be dealt with accordingly. Greater funding can lower student-teacher ratios, which also provides the time and attention necessary to provide these analyses and solutions.

Additionally, public school culture is based on standardized tests that purportedly measure intelligence and achievement, instead of focusing on the best learning style for individual students. These styles could include classroom activities such as collaborative work, in-depth discussions, and active projects—all of which, research suggests, is more effective in inner city school environments. Yet the standardized testing culture is more formal and rigid, and students who don't conform to this style are labeled deficient.

Further, teachers must recognize the culture of African American students and incorporate that culture into the classroom. Paying lip service during Black History Month celebrations once per year is not enough. The cultural makeup of the classroom has to include an honest discussion about issues of colonialism, slavery, civil rights, and the contributions of African Americans to the world. Yet instead, these important aspects have become "sanitized down", as demonstrated in 2015, when textbooks published by McGraw-Hill in Texas identified enslaved Africans as "workers," and indicated that slavery was a "side issue" to the Civil War. State guidelines in Texas for teaching American History do not even mention Jim Crow laws and their lasting effects.

The educational system—from administrators through teachers—must acknowledge and teach the culture of African Americans to be effective educators in the classroom. However, this can only be done when African American culture is embraced as important to the education of every child, allowing them to see the world as it is. Such inclusivity provides a greater sense of respect among different students, and makes students feel acknowledged, leading to greater engagement with education.

Affordable Childcare

Part of the solution involves starting children out on the right foot, of which childcare can help. Yet many parents don't have the income to cover pricey afterschool childcare costs. The availability of affordable quality child care benefits everyone. Child Care Aware of America studies indicate that when affordable child care is present, business productivity improves, parents have a greater likelihood of finding and keeping employment, and children do better in school and in life. With a return of $7 for every dollar spent, according to the National Institute for Early Education Research, investing in widespread affordable childcare is one of the soundest choices we can make for our economy.

HBCUs

The 101 Historically Black Colleges and Universities (HBCUs) are critical to discussions about American education. HBCUs have played an important role in African American socioeconomic progress for over a century. Yet many institutions are in dire circumstances after the Great Recession of 2008, having experienced declining enrollment and management pressures.

Their statistics show their worth. HBCUs:

- Award a sixth of all bachelor and professional degrees earned by African Americans. By producing over 16% of degrees while only being 3% of schools, HBCUs have created a productivity factor of over 500%.

- Produce 27% of African American students with STEM degrees.
- Confer 25% of the bachelor degrees in education to African Americans.
- Produce 33% of the nation's African American engineers.

HBCUs also play a vital role in increasing the number of African American primary healthcare professionals, which can improve healthcare outcomes in underserved communities. As such, it is critical to support government programs that help medical and nursing schools build stronger pipelines with HBCUs. We also need policies that encourage the federal government to engage with HBCUs and foster national dialogue to solve the shortage of healthcare workers, especially physicians, in low resource areas of the United States.

By maintaining and strengthening our HBCUs, we protect this critical pipeline for national talent. Combined, all of these issues explain why education is the key of a door we haven't fully unlocked. In 2015, the No Child Left Behind was replaced with a new law entitled The Every Student Succeeds Act (ESSA). Yet ESSA will not achieve its goal unless educational institutions are fully funded, focused on properly educating—not labeling—students, and supported.

Recommendations

- Restore funding to public schools, universities and community colleges to meet the needs of the population and provide an educated workforce for the 21st century.
- Recognize and support HBCUs for the vital role they play in producing African American talent, who contribute to the country's competitive advantage in relation to other world powers.
- Work to reform student loan debt by cancelling it outright, and offer free tuition at public institutions of higher learning. Every year of inaction contributes to a further widening of the racial wealth gap, and erasing of wealth that African American families have been able to build in pursuit of the American dream.
- Reduce student debt by supporting, and expanding, section 127 of the Internal Revenue Code. This provides employers with an opportunity to build more comprehensive and flexible benefit packages that can address the skills and wealth gap while addressing the financial burden imposed on millennial and other employees due to student-debt repayment.
- Strengthen our nation's child care system by making childcare affordable for working families. A $15 per hour minimum wage will both help ensure childcare is high quality, and allow more low-income families to take advantage of childcare services.
- Combat the school-to-prison pipeline by hiring more African American teachers, incorporating racial pedagogy and cultural competency in all teacher preparation programs, requiring a high level of demonstrated competency in cultural relevancy for state certification, and managing the classroom in a way that doesn't label a student for life. Reform bail requirements that lead to the unjust imprisonment of underprivileged offenders, and fully fund mental health and addiction treatment as a way to stem the mass incarceration of young men.
- Recognize and utilize African American culture while educating teachers and administrators both at the university level and via in-service training for those currently working in our schools. Include African American representation on textbook adoption committees at the state level, to ensure the accuracy of all content.

2020 CENSUS

An accurate U.S. Census—along with a robust American Community Survey (ACS)—is the foundation of fair political representation, as well as the prudent allocation and stewardship of tax dollars at the federal, state, and local levels. Business and industry also leverage this data, to plan and execute investments promoting private sector economic development, job growth, and prosperous communities. Likewise, most states rely on this data to set tax and spending limits. The numerous uses of Census data highlights the importance of adequately funding a 2020 Census count, its related research programs, and outreach efforts.

While the Census provides decennial data, the U.S. Census Bureau's ACS provides annual, highly-detailed information about states, counties, cities, towns, rural communities and other neighborhoods. By producing annual data on education, housing, commuting patterns, poverty, and other vital social and economic characteristics, the ACS provides policymakers with an invaluable and timely tool to understand and address the nation's needs.

Full Funding

The 2020 Census must count almost 330 million people in more than 130 million households and group facilities, all pegged to Census Day (April 1). Adequate funding, no restrictions attached, is essential for ensuring the usefulness and accuracy of these surveys. Underfunding any Census operations makes it more difficult for public and private sector leaders to make informed decisions about policy, investment, and the American economy. Yet preparations for the 2020 Census have already been threatened by inadequate funding, which has occurred over the last three years.

In a 2017 Senate appropriations bill, the 2020 Census and related Census Bureau activities received $100 million (7%) less than the Bureau requested. In the House of Representatives, the budget cut was even worse. As a result, the Census Bureau was forced to abandon promising 21st century innovations due to an inability to thoroughly evaluate them.

The consequences are many. Inadequate funding in 2016 and 2017:

- Cancelled 2017 field tests in Puerto Rico and on Native American reservations.
- Cancelled two of three 2018 "dress rehearsal" sites including Pierce County, Washington, and scaled back the remaining site in Providence, Rhode Island.
- Changed the enumeration approach for 12 million households in remote and rural areas.
- Delayed the open of half the regional 2020 Census offices.
- Delayed the communication campaign and partnership program.

In 2018, omnibus appropriations legislation provided a promising start to put the 2020 Census back on track. The Consolidated Appropriations Act of 2018 allocated $2.814 billion for the Census Bureau. While this was an increase over 2017 levels, and more than the Administration requested, it also includes only half the amount the Census Bureau will need for 2019.

The Administration's 2019 budget request, meanwhile, includes $3.8 billion of the $4.735 billion the Bureau needs. This is insufficient for the continued ramp-up required to both carry out critical activities and address the growing challenges to a fair and accurate count. At-risk activities include programs to reach historically hard-to-count population groups, such as: people of color, rural and low-income residents, immigrants, people without higher education, young children and young families.

Similarly, even though the ACS is the nation's main data source on subjects like poverty, household income inequality, health insurance, racial equity, education, and affordable housing, the House of Representatives has tried repeatedly in recent years to make participation in the ACS voluntary. Such a step would critically weaken the survey by lowering the response rate, raising data collection costs, and seriously diminishing data quality. The Senate, luckily, has rejected the proposal each time.

Likewise, tight budgets have caused cutbacks to the Survey of Income and Program Participation (SIPP)—a unique source of information on material hardships (such as falling behind on rent or mortgage), duration of poverty spells, income volatility, benefit receipt, and program entries and exits during the year. This has contributed to less frequent interviewing, plus a reduced ability to track households' economic progress and setbacks within a year. SIPP must be protected to ensure policymakers and researchers have an adequate understanding of the range of financial and material hardships Americans face.

Informed Government Decisions

Good decisions require good data. Census Bureau data guides the allocation of more than $600 billion in federal government funding to states, localities, and families each year to meet the critical needs of American communities.

According to The Census Project, Congress uses data from the decennial Census and the Census Bureau's ACS to allocate grants for a vastly varied list: school districts, homeland security, highway planning and construction, Medicaid, substance abuse treatment, community development, rural electrification, public transit, low income housing, special and adult education, home energy assistance, rural business and industry development loans, water and waste disposal systems, mental health services, rural broadband access, crime victim assistance, coastal zone management, outreach to disabled veterans, natural disaster recovery, and dozens of other programs.

Data from the Census also explains how important the decennial Census and ACS are for state and local governments, who use the data to plan a myriad of services and resources to communities with the greatest need. State and local emergency planning agencies also rely on the data to prepare emergency preparation, evacuation and response plans.

In a time of unpredictable threats and opportunities affecting vulnerable people and the services they need, the country must have high-quality annual data on key social and economic characteristics for every community. This includes communities of color, immigrants, people with disabilities, children and seniors. For example, according to the most recent Census data, the African American poverty rate in the U.S. is an unacceptably high 24%, and 21% for Hispanics. Women are 35% more likely to live in poverty than men, and 20% of children still live in poverty. This important information will no longer exist if cuts continue.

Vital federal programs also require accurate data. For example, nearly $590 billion in 2015 federal funding was distributed on the basis of Census-guided data, including:

- Medicaid, $312 billion.
- Supplemental Nutritional Assistance Programs, $69.5 billion.
- Medicare Part B Physician Fee Schedule Services, $64.2 billion.
- Highway Planning and Construction, $38.3 billion.

- Section 8 Housing Choice Vouchers, $19.1 billion.
- Title I Grant to Local Education Agencies, $13.9 billion.
- National School Lunch Program, $11.6 billion.

A fully funded, fair decennial Census is also critical for determining the number of legislators representing each state in both the U.S. House of Representatives and state legislative districts. Census data is also used to draw congressional and legislative districts, and to allocate representation on city councils, school boards, and other municipal bodies.

Business Building Blocks

The Census provides a wealth of data to drive smart decision-making in the public and private sectors. Businesses of all sizes and types use ACS data to make critical investment decisions that generate economic activity, boost employment, and improve the standard of living across the country. Examples include data on income, education, housing conditions, occupation, veteran's status, commuting patterns, and disability status. Specific business uses of this data includes: determining when to open or expand facilities, identifying sound small business lending opportunities, undertaking hiring decisions, forecasting growth, and determining infrastructure investment.

Other important surveys complement the decennial Census and the ACS. The Economic Census provides commercial data such as number of establishments and employees, sales, payroll, and product detail. The Principal Federal Economic Indicators Census captures indicators like GDP, advance monthly retail sales, manufacturing inventories and sales, personal income and spending, and U.S. trade balance.

Organizations like the U.S. Bureau of Labor and Statistics (BLS) measure labor market activity, working conditions, and price changes in the economy. BLS data helps business leaders assess employment costs, identify new markets, conduct comparative analyses, and even negotiate smart long-term contracts that utilize the Consumer Price Index (CPI). Also, statistics are produced regarding earnings and labor force characteristics, and the Consumer Expenditure Survey provides data on the buying habits of consumers such as expenditures and income.

Other organizations participate as well. HUD and the FBI, for example, have Census surveys on housing

characteristics and crime analysis, informing business decisions on products, facility location, and safety programs for employees and customers.

Undeniably, fully funding the 2020 Census positively impacts trillions of dollars in economic activity, which in turn drives employment and housing growth, community development, and economic stability.

Representative Democracy and Voting Rights

Americans of all stripes rightly expect the federal government to ensure every voter can fulfill their basic constitutional right: to cast a ballot for an individual of their choice without barriers to voting. However, many of the citizenry—especially voters of color—are often disenfranchised when the Census is not fully funded. Census and ACS data are used to implement the Voting Rights Act and ensure that citizens whose first language is not English can navigate the voting process.

Likewise, most of the recent developments leading to major attacks on voting rights started in 2012—two years after the 2010 Census was completed. Without accurate Census data, many state legislatures can introduce measures to make voting less accessible, less transparent, and as difficult and uncomfortable as possible. There are no "do-overs" for the Census. The Census Bureau must get the count right the first time, and the country must live with the results for ten years.

Finally, the Administration's last-minute addition of the citizenship question puts the 2020 Census at serious risk. The Census Bureau conducts careful and costly testing over many years to develop the Census questions. In fact, topics for the upcoming Census had to be submitted by March 31, 2017. Yet on March 26, 2018, the Secretary of Commerce agreed to a late Department of Justice request to add a citizenship question, justifying it by citing a need for better voting rights enforcement. This completely ignores that, because the ACS and Census "long" form provide such robust data for Voting Rights Act enforcement, no citizenship questions had been previously included since the 1965 enactment of the Voting Rights Act.

Adding this citizenship question will deter participation, resulting in far less accurate data. The question is expected to raise concerns in all households—native and foreign-born—about the confidentiality of information provided to the government and how it will be used. As such, adding the question sabotages the constitutional mandate that the Census obtain a complete count of all the nation's residents.

Deterred participation also creates a financial burden. The Census Bureau expects that every 1% decrease in the self-response rate will increase the Census' cost by $55 million.

A Note on Accuracy

The Census Bureau has produced estimates of Census accuracy going back to the 1940 count, when analysts discovered that 453,000 more men registered for the draft that year than were counted in the Census. That same Census missed 3% of all men age 21 to 35, but missed 13% of African American men in the same age group. Such disparity was the first objective evidence of what's now called the differential undercount: a disproportionate undercounting of some population subgroups, most notably people of color, young children, and renters (a proxy for lower-income households), compared to non-Hispanic Caucasians, older Americans, and homeowners.

According to the Census Project and the Funders Census Initiative 2020, the data would be fair if the Census missed relatively equal percentages of people in all communities and demographic groups—urban, suburban, and rural; poor and wealthy; predominantly Caucasians and predominantly African American or Hispanic; young children and seniors.

Unfortunately, that's not the case. Demographic analysis and post-count surveys both show disproportionately high rates of the Census missing racial and ethnic minorities, low-income households (indicated by the proxy of homeowner vs. renter), and children (especially ages 0 to 4). Meanwhile, in 2000 and 2010, the Bureau's own

analysis revealed that Caucasians were actually overcounted. The gap between Census accuracy for Caucasians and for all other race groups, and between low- and high-income households, is the differential undercount. It is this disparity that deprives underserved communities of political power, government resources and, often, private sector investment.

Recommendations

- Sufficient funds must be made available for the Census Bureau, Bureau of Labor Statistics, and other statistical programs within the federal government. This serves to address the decennial Census' historic problem undercounting people of color and low-income households, and measures economic security and social progress at the national, state, and local level.
- The present system of annual appropriations caps must be adjusted to accommodate the large temporary cost of the 2020 decennial Census.
- A mechanism should be added to the Budget Control Act to exempt necessary incremental decennial Census costs (projected to be more than $4 billion between 2019 and 2020) from the non-defense discretionary (NDD) spending caps. This ensures the Census Bureau has enough funds to prepare for and accurately implement the 2020 Census.
- To ensure the ACS remains a representative, valid, and comprehensive source of information for the public and private sectors, Congress must fully fund the ACS and make participation mandatory.

HEALTHCARE

As a country, we are continuing to make important strides in addressing healthcare disparities, but serious disparities still exist. This is especially true in the areas of chronic disease and maternal health.

Combating Chronic Conditions

Chronic conditions are among the most common, costly, and preventable health problems. This is especially true of cardiovascular metabolic diseases—such as heart disease, acute coronary syndrome, high cholesterol, and diabetes—and respiratory diseases, like chronic obstructive pulmonary disease (COPD) and asthma.

In fact, according to the Centers for Disease Control (CDC), 90% of the nation's $3.3 trillion in annual healthcare spending is attributable to chronic conditions. The American Heart Association has also found that the African American community is even more affected by cardiovascular diseases and diabetes, with a cardiovascular disease (CVD) death rate 33% higher than the overall population. Additionally, African Americans are 70% more likely to have diabetes than whites, placing them at increased risk for developing complications like blindness, amputation, kidney failure and heart disease.

The numbers are just as bad for respiratory diseases. The CDC reports that 16 million Americans have been diagnosed with COPD, and 26 million have asthma. Of these, African Americans with COPD face a higher mortality rate and lower quality of life compared to whites. Further, the National Institutes of Health (NIH) found that African Americans have a higher prevalence of asthma, are three times more likely to be hospitalized for asthma and have a higher mortality rate. These startling trends represent a growing public health issue that needs to be addressed. Intervention must take place—at the prevention level, at the education level, at the treatment level and at the policymaking level—to take early action against chronic conditions as well as to improve the outcomes of patients.

Programs that empower patients to pursue preventive health care, remain adherent to necessary medications, and avoid unnecessary health care costs are important to patients with chronic conditions. A study by the National Council on Patient Information and Education indicates that up to 60% of drug therapies used to treat chronic conditions are not used as prescribed. Non-adherence has a significant impact on patient health, as well as healthcare spending.

One way to help facilitate medication adherence programs is through the expansion of health savings accounts (HSAs). More and more people are being covered under high-deductible health plans, and they cannot use their HSAs to pay for many necessary chronic care prescription drugs before the deductible. HSA laws should be amended so health plans have the flexibility to cover prescription drugs prior to satisfaction of the minimum annual deductible.

This change would help facilitate prescription drug access and medication adherence, which would ultimately improve patient health. It would also drive the use of lower-priced generics, biosimilars, and other cost-effective drugs, decreasing health care costs overall and increasing medication adherence.

Providing access to quality care for all patients suffering from a chronic condition must continue to be a priority.

Preventing Chronic Kidney Disease

More than 30 million American adults may have chronic kidney disease (CKD), in which the kidneys are damaged and cannot filter blood properly. According to the NIH, African Americans are almost 400% more likely than whites to develop kidney failure, the most serious stage of CKD. While African Americans make up about 13% of the population, they account for 35% of people with kidney failure in the U.S. Diabetes and high blood pressure are the leading causes of kidney failure among African Americans.

Kidney disease is "chronic" and often gets worse over time, and may lead to kidney failure, or end-stage renal disease (ESRD)—which occurs when a patient needs dialysis or a kidney transplant for survival. ESRD is one of only two medical conditions that gives Americans the option to enroll in Medicare regardless of age. ESRD beneficiaries are less than 1% of the Medicare population (700,000), yet account for 7% of all Medicare spending. Medicare spends over $26 billion each year to treat ESRD, and spends $98 billion in combined costs annually for ESRD and CKD.

Despite this significant Medicare spending, a critical need remains to improve health outcomes, and quality of life for ESRD beneficiaries. Many patients believe that in-center dialysis is their only kidney failure treatment choice, and do not know about more patient-centered options with better clinical outcomes, including home dialysis or a kidney transplant. A tremendous need also exists for early identification and interventions for CKD, which can delay and even prevent ESRD. Nearly half (48%) of those with severely-reduced kidney function are not even aware they have CKD. In fact, 52% of renal patients "crash" into dialysis, frequently during an emergency room hospital visit, and 24% of patients "crash" into dialysis without ever being diagnosed with CKD.

A pressing health care issue, especially for the African American community, is advancing policies that encourage early identification and education about chronic kidney disease, and also spurring innovation in kidney care to improve both clinical outcomes and quality of life for patients on dialysis.

Medicare Part D and the Low-Income Subsidy

The Medicare Prescription Drug Benefit (Part D) has been vital to delivery of better value at lower cost to over 44 million Medicare beneficiaries, a number projected to rise to nearly 60 million over the next 10 years. Of those beneficiaries, 12 million receive the low-income subsidy (LIS) benefit, which provides extra help to beneficiaries with premiums and cost sharing for Part D drugs. We support the LIS program; almost 8 million of these beneficiaries are also dually eligible for Medicare and Medicaid, representing patients with the greatest need for financial assistance. Minorities make up a disproportionate share of the LIS population as compared to the non-subsidized part D population—African Americans alone make up 20% of the dual eligible population.

Low-income beneficiaries include individuals with disabilities, who have complex health care needs and require access to a wide variety of medicines. LIS patients also tend to suffer from multiple chronic conditions, and therefore fill more prescriptions than other beneficiaries.

The Part D program has proven to be an overwhelming success. Its competitive, market-based structure has helped keep program costs 45% lower than initial projects, and more importantly, keeps premiums low for enrollees.

Maternal Mortality Disparities

Alarming data shows that expectant mothers who are African American die from pregnancy-related conditions at significantly higher rates than expectant mothers across all ethnicities. The CDC has found that African American mothers are 243% more likely to die due to child-birth related complications, such as cardiovascular disease, hemorrhaging, and pulmonary embolism. Studies show that, across socioeconomic strata, a variety of factors contribute to these frightening statistics for African American women, including access to culturally competent care, and systemic racism and inequity that cause stress over a lifetime.

An NIH study found that African American women are nearly 8 years "biologically" older than white women—that is, even if a white woman and an African American woman are the same age, the cumulative effects of stress effectively "age" the African American woman 8 years beyond her actual chronological age. By age 30, as the NIH study indicates, African American women's bodies are overloaded by stress hormones, which in turn lead to the development or progression chronic diseases like high blood pressure and diabetes—which disproportionately impact African American women.

The stress overload even affects the development of healthy babies during pregnancy, and contributes to the startling statistic of 60% of African American women delivering babies too early, according to the March of Dimes. Preterm birth among African American women is high, regardless of income or level of education. In fact, educated professional African American women have higher rates of low birthweight babies than white women without a high school diploma.

These outcomes are entirely preventable. Health care providers must check, and undergo training, for unconscious bias held against African American women within the medical system. These biases lead to undertreatment, and do not account for the lived experiences of African American women with chronic health conditions. Ongoing research and action are necessary to address societal and genetic factors that cause disparities in maternal health outcomes.

Recommendations

- Support policies that bolster medication adherence in patients with chronic conditions, including medication therapy management programs, discharge planning policies, medication synchronization and extended-day supplies of medication, as well as other disease prevention strategies and education programs that promote and drive early control of chronic conditions and improve patient outcomes.
- Increase the utilization of home dialysis so more patients can take advantage of the benefits. Expand Medicare coverage of telehealth and remote patient monitoring systems, and the Medicare Kidney Disease Education benefit. This broadens the provider categories and patients who can be covered for payment, giving vital access to quality care.
- Protect a robust Part D low-income subsidy program to ensure the most vulnerable patients have access to affordable medicines that are critically important for maintaining health and improving health outcomes.
- Address structural and systemic inequities in African American maternal health care by passing legislation to: improve access to quality health care, enlarge data and research collection, expand culturally-competent clinician training, and provide grants for the establishment of pregnancy medical home programs for the delivery of integrated health systems.

ENERGY

When energy is plentiful, so are employment opportunities. When energy is affordable, our nation is more productive, leading to a stronger economy. From nearly every perspective, the American energy industry is prepared to put Americans back to work and facilitate our economic recovery and expansion.

Workforce Development

Nothing is more important to economic growth than providing future generations with a valuable education, which provides a stronger opportunity to hold a job. While many factors spur growth in the energy industry, none is more vital than the availability of capable, dedicated, qualified people. In fact, the energy industry is on the cusp of a dramatic change in the workforce, as new technologies are developed and the current workforce becomes eligible for retirement. As a whole, the electric power industry supports more than 7 million American jobs, equivalent to about 1 in every 20 jobs in the country.

Additionally, the oil and natural gas industry supports 10.3 million U.S. jobs within exploration and production, refining, marketing, pipeline and marine businesses, as well as nearly 8% of the U.S. economy. The industry estimates that another 1.9 million new job opportunities—including one million semi-skilled and skilled trades positions—will exist by 2035, providing significant opportunities to recruit and retain the next generation of industry participants. Almost 707,000 of these new job opportunities are projected to be filled by minorities, and more than 290,000 anticipated to be filled by women.

The industry is working to address the anticipated workforce transition. In 2006, electric and natural gas companies formed the Center for Energy Workforce Development (CEWD), a non-profit organization bringing together employers, unions, educational institutions and workforce development stakeholders to build the pipeline of talent needed for the future. CEWD has spearheaded the creation of State Energy Workforce Consortia covering more than 30 states, focusing on the workforce needs of individual states and regions. The work done by CEWD and the State Energy Workforce Consortia has improved curriculum, workforce planning, and reduced the time needed to get people into energy jobs.

Future energy jobs can be filled by promoting educational and training programs specifically targeted to the growing population of underrepresented minorities. With most children born today being from communities of color, minorities represent a critically vital talent pool to help meet the demands of America's energy industry. As such, we need to ensure minorities are prepared to participate and benefit from what is known as "the energy renaissance."

In order to effectively compete for jobs in the energy industry, young people from communities of color will also require significant improvement in preparation for Science, Technology, Engineering and Mathematics (STEM) related disciplines at the primary and secondary school levels. According to the Pew Research Center, African American and Hispanic students make up the smallest percentage of computer science and engineer graduates, at 6% and 8%, respectively. This imbalance prevents minorities from being eligible for the almost one million new jobs in fields ranging from welding and construction to petroleum and nuclear engineering. These positions have the opportunity to pay six-figure salaries and provide communities and families the benefits that well-paying jobs harbor. New, targeted training programs must be instituted to help ensure people of color, and women, can compete for these positions.

Energy Landscape

Energy in America is abundant, reliable, more affordable, and increasingly cleaner. By adopting higher efficiency standards, converting to more efficient fuels like natural gas and nuclear, incorporating new technology, and improving operating procedures, America is experiencing an environmental and economic transformation that has us well-positioned to continue being a global leader in energy.

The United States is also poised for dramatic growth in many manufacturing industries, in part due to vastly improved energy technologies and innovation. The enormous ongoing financial investments in energy infrastructure and facilities, and the unfailing dedication of millions of men and women who work daily to produce the energy needed to power America forward, represent those opportunities.

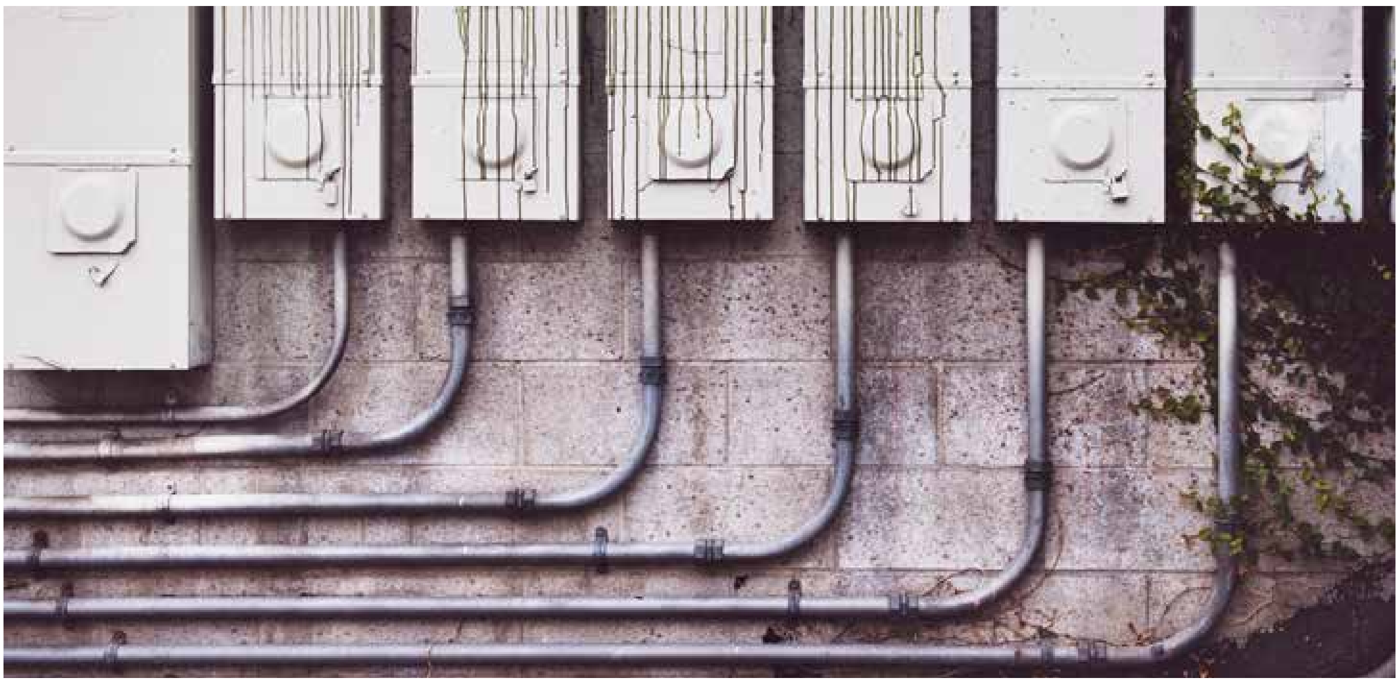
For example, oil production in the United States has continued to grow at an amazing pace with record crude oil production of 11 million barrels per day (mb/d) last September, surpassing Saudi Arabia as the world's top oil producer. Until 2017, the U.S. had not produced more than 10 mb/d in a single month since November 1970. The U.S. Energy Information Administration (EIA) also determined the United States surpassed Russia to become the world's largest producer of natural gas in 2010.

With oil and gas production growth, the U.S. has helped to supply global markets, become a material net exporter of natural gas for the first time this year, and also cut petroleum net imports to the lowest levels in more than 50 years. The policy arena has recognized this progress, and Congress took the much-needed step to lift the 40-year-old ban on oil exports. Domestic prices for oil and natural gas have remained affordable even as U.S. exports have grown. This is largely due to tremendous productivity gains in which the breakeven costs to produce oil and natural gas have fallen to levels considered impossible just a few years ago. In fact, EIA data show the U.S. natural gas and oil industry has brought the lowest home heating costs to American families in nearly 20 years.

This dramatic growth in energy production is the result of American ingenuity, engineering and willpower, especially through the application of hydraulic fracturing, and horizontal drilling to deep geologic formations. These technologies have been around for decades, but energy companies are now deploying them with such efficiency and success that the country has become firmly established as an energy superpower. Such efforts paved the way for significant financial economic growth and opportunity, with shale gas development sharply reducing electricity and natural gas costs for local communities across the country.

This newfound domestic energy abundance provides the country with a tremendous opportunity to bolster national security; not only by reducing our reliance on imports from foreign countries, but also by exporting natural gas and oil to our allies around the globe. The U.S. is set to soon become the world's 3rd largest Liquefied Natural Gas (LNG) exporter, enhancing our national security here at home and abroad by providing a reliable source of natural gas to our allies. The development of additional U.S. LNG export projects has the potential to create between 220,000 to 452,000 additional jobs, and add $50 to $73 billion to the U.S. economy. This relieves political instability and pressure on our military forces and drives additional economic growth via increased American energy production.

Grid Security



Electricity production, transmission, and distribution are vital to commerce and nearly every facet of our daily lives. In 2017, electric companies invested $113.6 billion in grid security, representing the sixth straight year of record-capital investments. This includes deploying smarter energy infrastructure throughout the transmission and distribution systems, installing nearly 71 million smart meters, and preparing the grid to deliver even cleaner energy resources.

In protecting and building America's energy future, the electric power industry has adopted a risk-based "defense-in-depth" approach to ensure the power grid is protected from threats. The industry works closely with government entities and others in establishing and enforcing rigorous standards, resulting in the ability to respond, and quickly recover, when the energy grid is impacted. Electric companies regularly practice response and recovery exercises, simulating emergency scenarios that could negatively affect electricity generation, transmission, or distribution. These exercises include a variety of strategies, ranging from responding to major weather events, to testing readiness and response to a major external cyber attack—efforts that, as a whole, strengthen the security of our grid and our nation.

Importantly, these efforts are done in coordination with partners across the energy sector, including but not limited to the: Electricity Subsector Coordinating Council (ESCC), North American Electric Reliability Corporation (NERC), Electric Power Research Institute (EPRI), Department of Defense (DOD), Department of Energy (DOE), Department of Homeland Security (DHS), FBI, Federal Energy Regulatory Commission (FERC), and state and local law enforcement agencies.

Infrastructure Modernization and Expansion

The American energy industry is undergoing significant growth and expansion as a result of abundant supplies of domestic resources, the advancement of new technologies, and changing desires from consumers. For example, more pipelines are needed to transport domestic fuels around the nation, and the power grid is integrating more technology and renewable energy sources than ever while ensuring reliability and affordability for all communities. Building smarter energy infrastructure remains essential to meet the energy needs of all Americans, the growth of electric transportation, and smart communities.

While doing all this, energy must also be increasingly clean without risking affordability and reliability. We must be on guard to protect against any "energy divide" or cost shift that may develop, and ensure equitable policies exist that improve the economic standing of our community. We also recognize the potential of these investments to create well-paying jobs, make our economy more competitive, and make our nation more secure. In order to capitalize on these opportunities and expedite the hundreds of billions of dollars in investment this build-out and expansion represents, policies must be thoughtfully structured. These policies must allow for the timely review and approval of permitting and siting, maintain cost-effective access to capital, and be structured to responsibly, effectively and efficiently maintain the safety and health of communities and the environment.

Innovation and Technology

While the age of the nation's existing energy infrastructure is one of the factors driving this massive investment, advancements in technology are playing an equally important, if not larger, role. In the transportation sector, electric vehicle (EV) adoption is quickly becoming a chosen alternative for automobile travel throughout the country. Additionally, the electric industry is building a smarter energy infrastructure that is becoming the emerging platform for new technologies (including electric vehicles). For example, the industry is working closely with lawmakers and regulators in the development of electric vehicle charging infrastructure policy, forming a concerted effort to ensure EV charging availability exists in urban, suburban, and rural America. Greater charging availability, particularly in urban areas, could even result in wider EV adoption among more diverse communities.

Also, new innovations in the energy industry improve the reliability, flexibility, and efficiency of energy generation, resulting in proportionately lower fuel inputs and lower energy costs. For instance, smart grid technology enhances our electrical system by installing two-way communication devices and sensors throughout the power grid, from power plants to transformers and switches. The resulting automation improves efficiency, in areas such as sending resources into the field to measure energy usage, locating erroneous activity like broken transformers or downed wires, and restoring power quickly for customers.

Smart grid technology allows the electrical system to send a constant stream of information to other parts of the grid and to power companies, and conduct real-time adjustments that ensure power is sent exactly where needed. This technology also allows for the greater integration of renewable energy sources onto the power grid, as well as the introduction of storage, microgrids, plug-in vehicles, and the proliferation of smart appliances, thermostats and other consumer-facing energy management tools.

The benefits of making investments to modernize our electric grid are numerous. They: provide the ability for systems to "self-heal" after power disruptions, enable new products, services and markets for customers, and improve the operational resiliency of our systems against physical or cyber-attack—all while not sacrificing reliability. Such investments require everyone who utilizes the electric grid to appropriately fund its continued enhancement.

The increase in U.S. oil and natural gas production over the past several years is also directly linked to technological advances, such as allowing production from tight sand and shale gas formations. These advances include technological innovations in the areas of horizontal drilling and hydraulic fracturing, which transformed previously inaccessible oil and natural gas resources into production wells.

According to the U.S. Department of Energy: "More than 4 million oil and gas-related wells have been drilled in the United States since development of these energy resources began nearly 150 years ago. At least 2 million of these have been hydraulically fracture-treated, and up to 95% of new wells drilled today are hydraulically fractured, accounting for more than 43% of total U.S. oil production and 67% of natural gas production."

Continually improving and advancing industry practices, federal environment statues, and state programs all work together to provide an effective structure that allows for the essential development of the nation's oil and natural gas resources while protecting the environment. Such comprehensive, technology-focused approaches to reducing costs and increasing output benefit the American economy, encouraging even better ways to modernize and advance our energy system. The end-goal is becoming increasingly reachable: to create an energy independent country. America should generate so much excess capacity via efficient energy production and usage that the country can easily afford to become an international supplier. However, policies based upon market realities must be in place that ensure the U.S. is pursuing production of "all-of-the-above" energy sources.

Natural Disasters and Extreme Weather Events

According to the National Oceanic and Atmospheric Administration, hurricanes, wildfires and other events caused $306 billion worth of damage in 2017 to the U.S. economy, including destroyed property and lost business activity. The most expensive storm was Hurricane Harvey, at an estimated $125 billion in costs, followed by Hurricane Maria at $90 billion, and Hurricane Irma at $50 billion.

While the Gulf Coast was hit with these major storms, the resiliency of the oil and gas infrastructure in the region exhibited how private investment, in cooperation with government officials, can alleviate serious disruptions. The severe weather unleashed by hurricanes Harvey and Irma did not catch the fuel and petrochemical industry flat-footed. Harvey disrupted fuel markets by impacting 24 refineries that normally churn out 25% of U.S. fuels. Within two weeks of Harvey, 20 refineries resumed fuel manufacturing. This is a testament to the industry's readiness, especially compared to the two months refineries needed to return to normal production after Hurricane Katrina in 2005.

Far in advance of the storms, companies along the Gulf Coast—home to much of the U.S. fuel and petrochemical manufacturing base—had been working with government agencies and local first responders. Together they developed thorough preparedness plans, held routine drills to prepare employees and facilities for unexpected events, and participated in simulations or drills run by DHS, DOE, the U.S. Coast Guard, PHMSA, DOT and FEMA, as well as state and local regulators.

Conversely, last year in the northeast, consumers experienced one of the coldest winters since the Polar Vortex that occurred from 2013 to 2014. Bureaucratic red tape in the northeast, and the insufficient infrastructure that resulted, led to devastating consequences such as record high energy prices and a forced reliance on global resources rather than available American natural gas.

On the West Coast, wildfires are becoming more prevalent, burning more than 9.8 million acres, and causing close to $18 billion in damage—tripling the previous record. The economic effect is even greater when taking into account: lost work days, closed businesses, transportation interruptions, and insurance costs.

The occurrence of extreme weather events, including wildfires, is causing stress on our utility infrastructure—requiring more fortified, resilient systems across every region of our country. While technological advancements can and should be pursued, changes to our regulatory systems and other emergency response policies need to be considered as well. This includes reducing barriers to electric companies' ability to properly manage vegetation—which helps lower the risks of wildfires starting and spreading. Waivers are also necessary during extreme weather events to transport fuel, preventing economic harm to consumers. All levels of government must work together with the energy industry to alleviate the impacts of these events. This is critical for all communities, and particularly for communities of color, which tend to be disproportionately impacted.

Climate Change

According to the Intergovernmental Panel on Climate Change, the net effect of climate change related to carbon dioxide causes reduced net food production, increased droughts, and deaths related to weather. Based on data from the U.S. Environmental Protection Agency (EPA), carbon dioxide accounted for 82% of U.S. greenhouse gas emissions in 2015. However, power sector-related carbon dioxide emissions fell 1.7% in 2016, which followed a drop of 2.7% between 2014 and 2015. The EIA calculated that, in 2017, emissions equaled 1.7 million metric tons, the lowest level since 1987. The decline in power sector-related carbon dioxide emissions is consistent with a decade-long trend and the nation now gets more than one-third of its electricity from zero-emitting sources. Subsequently, with increased domestic use and exporting of American natural gas, the U.S. is now leading the world in lowering emissions while meeting the energy needs of consumers. Since 2005, more than 65% of carbon dioxide reductions in the electric power sector have come from fuel switching to natural gas. A study by the New England Coalition for Affordable Energy illustrates how the increased use of natural gas benefits the environment, finding that as the fuel mix shifted toward natural gas, regional emissions dropped 56% for nitrogen oxide, 91% for sulfur dioxide and 22% for carbon dioxide between 2006 and 2015.

This type of success can continue by working in several areas. Electric generation should come from increasingly cleaner and diverse sources. For example, the U.S. currently has 99 nuclear reactors generating substantial power production and economic growth, including 100,000 high paying American jobs. Since nuclear power is a non-carbon emitting source, the 805 billion kilowatt-hours of nuclear-generated power—roughly 20% of the total U.S. electric output (and more than any other source for seven states)—goes a long way towards helping the nation achieve climate change goals, and diversifying energy to balance power production risks.

In 2017, nuclear energy accounted for 56.1% of U.S. emission-free generation. As a zero-emission source, nuclear currently avoids 547.5 million metric tons of carbon dioxide each year—which is why America must increase, not decrease, nuclear generation investments. In fact, according to data calculations from the EPA and EIA, 60 million metric tons of carbon dioxide have been avoided as a result of preventing premature nuclear plant closures.

Additionally, advanced nuclear reactor designs, also known as Gen IV, have the potential to dramatically improve the safety and economic conditions for nuclear reactors going forward. Gen IV designs take advantage of passive inherent safety characteristics and do not emit greenhouse gases. Moreover, they can be manufactured domestically, creating jobs and re-establishing American nuclear excellence. Recent technology developments in this space indicate that advanced nuclear will play an even large role in the country's energy portfolio going forward.

We must also continue investing in renewable sources, such as wind, solar, and carbon neutral biomass, while retaining the reliability that consumers demand. Renewable resources provide roughly 17% of the country's electricity, with about 44% coming from hydropower and the rest from wind, solar and other renewables. By the third quarter of 2017, the United States had nearly 89,944 megawatts of wind power installed in 41 states, plus Guam and Puerto Rico, according to the American Wind Energy Association. Utility-scale solar grew 84% in 2016, and currently more than 26,000 megawatts of utility-scale solar projects are under development.

Further, private-public partnerships must continue to reduce carbon dioxide emissions by supporting improvements in technology, research and development, cost effectiveness, and fuel efficiency. More reductions will result from the electrification of the transportation sector, and from continued efficiencies added to personal vehicles, freight rail, airports, and ships. Also, exporting our natural gas and intellectual property into the global market will provide opportunities for developing countries to utilize a clean-burning fuel source for their growing economies.

In addition, continued investment in public education will help offset our increase in carbon dioxide emissions. By creating incentives for the public to engage in more energy efficient practices (like making homes more energy-efficient, or learning how to read—and use—Energy Star® reports for appliances), and encouraging them to undertake these practices, a positive impact can result.

LIHEAP

Since 1981, the Low-Income Home Energy Assistance Program (LIHEAP) has helped millions of low-income Americans pay their energy bills. Today, LIHEAP is a widely supported, essential program that delivers critical short-term aid to our nation's most vulnerable citizens, including seniors on fixed incomes and the desperately poor.

To be eligible for LIHEAP assistance, families must have incomes at or below 150% of the federal poverty level—about $30,000 annually for a family of three—or 60% of the state's median income level. However, the majority of LIHEAP recipients fall well below the minimum income requirements, and only one out of five LIHEAP-eligible households actually receive energy assistance.

In recent years, LIHEAP funding has been cut severely. In 2011, when funding levels were at $4.7 billion, only 9 million households received LIHEAP funds. In 2018, LIHEAP funding was only $3.64 billion, resulting in far fewer families being eligible for assistance, a reduction in benefits, or both.

As Congress faces very difficult fiscal challenges, tough budget decisions will need to be made. However, cutting LIHEAP funding is not the answer, and will deny people the heating and cooling that are basic needs for survival. Without energy assistance, low-income families, the elderly, and the millions of people seeking work could be forced to make painful choices between heating or cooling their homes or paying for other necessities such as food, medicine, and clothing.

Recommendations

- Strengthen workforce development programs and proactively support implementation of diversity programs that enhance access to business opportunities for African Americans and other diverse suppliers.
- Support programs at HBCUs and minority-serving institutions that provide early introduction and sustained delivery of curricula focused on the STEM disciplines (Science, Technology, Engineering, & Math) in historically underserved communities. Pursue and support additional opportunities to train minority candidates for a career in the energy sector.
- Pursue affordable, abundant and flexible energy supplies, achieving an all of the above strategy to protect and advance the nation's energy security, including low and zero emissions sources such as hydro, nuclear, natural gas, wind and solar.
- Increase technology investments to not only enhance domestic energy supply, but also better facilitate the opening of international markets for exports of nuclear, renewable and battery storage technologies, as well as exports of U.S. liquefied natural gas (LNG).
- Facilitate cost-effective infrastructure investments, modernization, and expansion by ensuring the timely review and approval of projects, especially in the northeast. Allow for better streamlining of the regulatory review process and remove impediments from regulations such as the New Source Review that currently hamper significant energy efficiency improvements. This includes legislating a comprehensive energy policy that addresses issues like grid modernization, research and development technology, renewable energy, and climate change.
- Call for federal, state, and local energy policies to be equitable and fair to communities of color to prevent them for unfairly absorbing infrastructure costs.
- Educate consumers on energy issues and advocate for increased consumer protections.
- Fully fund LIHEAP and preserve this vital safety net for millions of vulnerable Americans.

REDUCING RECIDIVISM

Officially, "recidivism" is defined as a person's relapse into criminal behavior after already undergoing intervention, typically prison time, for a previous crime. But even more so, recidivism is a national crisis, with significant personal, societal and financial costs. It's a crisis that must be proactively faced by every organization with a role in our criminal justice system—be they government, community-based, non-profit or private sector. No single silver bullet offers a solution; reducing recidivism requires joint collaboration on, and support for, evidence-based programs.

According to the U.S. Department of Justice (DOJ), 1.6 million people are currently incarcerated, and almost all of them will eventually re-enter our communities. However, DOJ statistics illustrate a sober reality: three of every four released inmates will be re-arrested within five years, and over half will return to prison during that time. This results in greater costs, less tax revenue, less stable families, less productivity, and other determinants that make society as a whole suffer.

While incarcerated individuals must consciously decide to maintain a crime-free life, significant barriers exist both within prison, and upon returning to the community, that greatly stack the odds against actually carrying out what at first glance appears to be a simple solution. For example, DOJ research has discovered that 68% of state prison inmates do not have a high school diploma, making job-finding difficult. Similarly, many companies disqualify individuals with a criminal record. In addition, 65% of our prison population is classified as suffering from alcohol or drug abuse and addiction. Meanwhile, current society re-entry programs are available, but still don't enjoy the sufficient amount of resources necessary for success.

Effect of Education

Education is among the biggest gateways to reducing recidivism. Inmates who obtain GEDs while in prison are 30% less likely to return to prison, according to RAND, and inmates who participate in any educational program in prison are 43% less likely to return. With education comes the ability to generate income, find housing, become an active participant in the community and create a stable family environment—all key factors for re-entering society successfully.

In addition to increased vocational training, other types of education should be made available as well. A great source of college education would be provided by the Shift Back to Society Act, which would provide grants to historically black colleges and universities (HBCUs) to offer in-prison courses that are transferrable for college credits. The Shift Back to Society Act should be enacted, expanded, and promoted, allowing for as many individuals as possible to take advantage.

Economic Opportunity

Job-training courses are another important solution. Employers can transform lives by providing work and vocational training in prisons themselves. In fact, employers across the country have partnered with state and local correctional agencies to give inmates access to real-world work opportunities, ranging from circuit board manufacturing to fruit packing.

These partnerships are a win-win. Employers benefit by gaining access to an untapped talent pool. Plus, inmates who complete vocational training are 28% more likely to find a job after release, according to RAND, and employed offenders are half as likely to reoffend than those without a job. This affects more than currently and previously incarcerated individuals; the 1.9 million currently unemployed ex-offenders are costing the country $87 billion in lost GDP, according to the Center for Economic and Policy Research. Broken down more regionally, the Economic League of Greater Philadelphia found that connecting even just 100 ex-offenders with jobs would produce $1.2 million in annual earnings, and $55 million in post-release lifetime earnings. The benefits to both the individual and to society at-large are self-evident.

However, even after receiving job training and re-entering society, employers often aren't eager to hire individuals with criminal histories. This requires that incentives and protections be put in place to embolden employers. For example, the federal Work Opportunity Tax Credit allows employers to claim up to a 40% tax credit on an ex-offender's first year wages. Some states and municipalities offer tax credits as well. However, often employers aren't aware of such opportunities. Promotional funding should be increased, and the programs expanded—possibly to raise existing caps on the tax credits—so more businesses are both aware of the credits and are eager to utilize them.

Furthermore, the federal Fair Chance Act must be passed into law. Introduced in 2015 and modeled after similar "fair chance" laws in several states, the legislation would "ban the box," or prevent federal contractors from asking job applicants about their criminal record before making a job offer. It provides a critical protection to stop potential employers from discriminating solely on the basis of previous incarceration.

In fact, many employees don't even share the same concern as actual employers do. The Society for Human Resource Management found that more than half of corporate employees have no qualms about working with people with criminal records. 82% percent of managers and 67% of HR professionals feel that the "quality of hire" for workers with criminal records is as high, or higher, than that for workers without records. In addition,

Northwestern University research indicates that employees with criminal records are less likely to quit their jobs voluntarily, reducing turnover and its associated costs for employers. Indeed, by considering qualified applicants from the vast pool of nontraditional, ex-offender applicants, employers can gain a competitive advantage.

None of this will be as successful without the incorporation of effective programs designed to help individuals re-enter society in a manner that helps them thrive. By reauthorizing and adding more funding to the Second Chance Act, which provides federal grants to governments and organizations who work to improve outcomes for the formerly incarcerated, programs can be expanded that provide education, addiction treatment, residential re-entry facilities and other services. The program can be strengthened even more by requiring a full continuum of services from the during-incarceration period through post-release. Each person should receive an individualized assessment of risks and needs so a custom program can be designed, across agencies, to increase each person's opportunity for post-release success. Plus, evidence-based programming with proven results should become the norm, not the exception, if re-entry programs are to be truly successful.

Recommendations

- Pursue policies that encourage companies to partner with prisons and provide inmates with vocational training in a variety of industries to help combat recidivism and address the skills gap.
- Press for additional funding for the Shift Back to Society Act and Second Chance Act, providing more support for programs that reduce recidivism via essential assistance services and employer hiring incentives.
- Enact the Fair Chance Act to ban discrimination against the previously incarcerated on the federal level.
- Staunchly support additional investments in education, job training, faith-based programs, addiction treatment and other services that result in better quality of life for individuals in prison and those formerly incarcerated.
- Implement a "pay for success" performance-based model to align contractors with public policy objectives for reducing recidivism. Widely successful internationally and in Pennsylvania, this model holds providers accountable for delivering measurable results, allows for "success" payments if recidivism rates improve beyond a certain threshold, and administers penalties for unachieved goals.

FINANCIAL SERVICES

African American households are recovering from the Great Recession at a slower rate than white or Hispanic households. While the financial markets show reason to be optimistic, the strong U.S. economy has not made progress toward closing this gap and increasing the net worth and wealth of African Americans. Significant headwinds persist for families on their way to full financial security. Policymakers must focus on the wealth-building attributes of homeownership, education, employment and tax refund maximization in the push towards a financially healthy community.

The ability to borrow money safely—at affordable prices—is a key element to the financial health of the African American community. Whether referring to a mortgage, car loan, student loan, or credit cards, the importance of having wide access to affordable, safe consumer credit products cannot be overstated.

Housing Costs and Mortgage Credit

The United States is currently facing an affordability crisis regarding a basic but significant expense: housing. Conventional wisdom offers that homeownership is one of the most significant sources of wealth for American households—and, historically, disproportionally so for African Americans. Yet African Americans are missing out on the opportunity to own their own homes at greater rates than other ethnic groups. According to a 2018 study by the Harvard Joint Center for Housing Studies, African Americans have seen no appreciable increase in homeownership rates recent years. In fact, that research occurred the same year as the 50th anniversary of the Fair Housing Act, but African American homeownership is still the lowest among all demographics. Several causes create this.

Recent analysis by U.S. Mortgage Insurers shows that an average African American household—earning the median 2017 wage of $40,065 and holding average debt—would require 29 years to save a 20% down payment for a median-priced home. Further, many African Americans are unaware of affordable mortgage products that allow as little as a 3% down payment. Mortgage insurance, for example, was specifically designed to help consumers purchase a home sooner, with less money upfront.

A low down payment mortgage is essential if African Americans are to realize the dream and benefit from the stability of homeownership. Increased rental burdens, stagnant wages, and crushing student loan debt, mean many African American families have limited savings, yet are still extremely creditworthy and capable of making monthly payments. For this reason, we must continue to laud the return of the safe, sustainable 30-year fixed-rate mortgages supported by Fannie Mae and Freddie Mac (the GSEs) that utilize private mortgage insurance. Another government program alternative, the FHA insurance program, allows homeowners to purchase with as little as 3.5% down. A risk-based price subsidy in the program is available for lower-credit score homebuyers.

Despite historically low interest rates and the wide availability of low down payment financing, homeownership is still out of reach even for those who do save enough for a home. Moderately priced homes are in extremely short supply in most areas of the country, particularly around metropolitan areas with plentiful jobs. Tight inventory bears much of the blame.

While homebuilding ground to a near-standstill after the financial crisis, demand continued to rise. Economists estimate nearly six million homes are missing from the available stock of owner-occupied homes for sale. This

shortage is also compounded by existing homeowners not transitioning into newly-built homes, resulting in less supply for first-time homebuyers.

Worse, the freefall in housing prices during the crisis severely damaged the net worth of many African American homeowners, according to the Pew Charitable Trust, because a high percentage of their wealth was related to their home equity. Irresponsible and predatory lending practices by unscrupulous lenders were a key component, causing many people to lose their homes and triggering price declines. Due to the vast negative effects, these practices are now illegal under reforms enacted as part of The Dodd-Frank Wall Street Reform and Consumer Protection Act, and later implemented by the Bureau for Consumer Financial Protection (BCFP).

In 2019, a key component of these reforms known as the Qualified Mortgage Rule, part of the Ability To Repay rule, will be subject to a statutory review by the BCFP in a report to Congress. Among other things, the rules require lenders to fully review and document a borrowers' ability to repay their loan and limit the kinds of products offered. In effect, these laws have statutorily required lenders to obey sound underwriting practices that protect not only the financial institutions, but consumers and the economy as well.

In this era of deregulation, policymakers must resist the urge to water down the rule's intended purposes—or to dissolve it entirely. We must heed the lessons learned from the rule's first five years, how it preserves sound underwriting practices, and allows self-employed borrowers to demonstrate their ability to repay a mortgage. We must also examine any conditions that may have had a disproportionate effect on disqualifying minorities. Wholesale changes, however, or anything that seems to permit a divergence from the guardrails of safe, sustainable mortgage underwriting, should and must be discarded.

Credit Cards and Payments

Americans of all races rely on credit cards to purchase basic necessities, including medical expenses, groceries, utilities, and even education. Yet when credit cards are used improperly or offered with predatory terms, they impose significantly higher interest rates and fees than other assistance programs for these types of expenditures, especially for minority borrowers. While U.S. Census Bureau data suggests that African Americans' individual credit card debt is less, on average, than their counterparts, it raises the troubling concern that such reductions are the result of more onerous terms, rather than more responsible use.

Great strides have been made through legislation intended to rectify this, such as the CARD Act and others, but no uniform "ability to repay" standard exists for credit cards. The BCFP's enforcement of the CARD Act should be strengthened to continue promoting transparency in the industry, and to protect against unfair practices such as interest-rate hikes and unreasonable late fee policies.

Debit cards, meanwhile, have become an increasingly popular payment method. These cards are subject to regulations capping the amount merchants must pay, per transaction, to the cardholder's bank to offset the risk of fraud. This cap was the subject of fierce debate on Capitol Hill, and the consequent law was passed on the assumption that the savings made by merchants would be passed on to consumers. Unfortunately, plenty of evidence exists that this has not happened, and, indeed, that consumers have had to shoulder an additional burden: higher bank fees as banks try to recoup significant losses. These higher fees could lead to an increase in

the number of unbanked Americans in communities across the board. Merchants derive real and tangible benefits from electronic payments, ranging from guaranteed payment, fraud protection and "ticket lift" (that is, consumers using electronic payments generally spend more, as they are not limited to the cash they have to hand). With this in mind, any efforts by merchants to expand interchange caps to credit cards should be examined very carefully before given any support.

Credit cards' "cousins," the prepaid debit card, gained regulatory attention by the BCFP in 2015 with the proposal of sweeping regulations aimed at standardizing this rising form of financial transaction. Scheduled to go into effect in April of 2019, the Prepaid Rule should be reopened for comment and adjusted. Tens of thousands of consumers rely upon prepaid overdraft to make ends meet, and the rule harms these consumers by effectively eliminating their access to overdraft protection. In reopening for comment and adjustment, this issue can be addressed and corrected. Instead of eliminating overdraft, the Bureau should be encouraged to establish appropriate and robust guardrails to protect consumers while preserving their access to a reasonable short-term liquidity option.

Data Breach Standard

Data security is a challenging and constantly evolving issue, with new breaches seemingly announced every week. In 2018, California passed a new law in the form of the California Consumer Privacy Act (CCPA) of 2018, which had strong similarities to the European Union's General Data Protection Regulation (GDPR). The hastily-assembled law will be the focus of a great deal of attention as businesses and others try to mitigate its flaws through the rule-making process. Other states may even follow California's example.

This is more evidence that consumers across the country need a robust federal data breach standard. Currently, all fifty U.S. states and the District of Columbia have data breach laws with varying definitions, notification guidelines, and compliance rules, creating a patchwork of standards and required courses of action. This current framework keeps businesses from being able to develop a cost effective and comprehensive response plan. The notification requirements and issue responses should not vary for consumers depending on which state they live. A federal bill should also include strong, yet flexible and scalable data protection standards for all companies that handle sensitive data.

AML/BSA Updates

In the United States, the primary weapon to fight money laundering and illicit financing is the Bank Secrecy Act (BSA). Financial institutions provide currency transaction reports (CTRs) and suspicious activity reports (SARs) for suspected incidents of fraud. However, these requirements have been the same since its inception in 1970. The technology and techniques used to commit financial crimes are constantly evolving and becoming more sophisticated, and the tools being used to fight these crimes must be modernized to keep pace, beginning with anti-money laundering (AML) laws. The cost of these compliance and regulatory requirements is extensive, and reduced expenses could be used to offset costs that would otherwise be passed to consumers through additional fees or the elimination of free checking accounts.

Accessible Entrepreneurship

Founding a business is among the toughest undertakings in America; about 90% of new businesses fail, according to research from Small Biz Trends. The reasons are many. Extensive sacrifice and time away from family are required. Plus, even if an individual has the knowledge and skills to succeed, a comprehensive lack of access to capital can prevent a business' actual launch.

Direct selling is a viable solution, presenting a meritocratic, part-time, flexible income opportunity for all Americans no matter their race, ethnicity, gender, or background. It is accessible to anyone seeking a low-cost, low-risk entrepreneurship opportunity. Substantially, most direct selling start-up costs are less than $100, according to the Direct Selling Association (DSA), and this start-up cost often comes with retail and sample products, plus training materials.

Direct selling is embarked upon for a variety of reasons. Individuals may enjoy personally obtaining the products at a discount. Others who decide to truly build a business can take advantage of the freedom and flexibility to build a business on their own terms. According to the DSA's National Salesforce Survey, satisfaction with direct selling is high, and the business owner's satisfaction actually strengthens over time.

Also, just as barriers to entry are low, the ability to exit the direct selling business is also easy, removing even more risk for these entrepreneurs. For example, a direct selling wholesaler is required to buy back any unsold inventory for at least 90% of the original net cost within 12 months. Customers are protected, as well; a requirement of federal and most state laws states that any sale occurring in the home can be canceled within 3 business days.

In addition to guidance and laws requiring product returns, consumer protections in the direct selling industry are entering a new chapter. In 2019, a third party, self-regulatory organization administered by the Council of Better Business Bureaus (CBBB) is launching to ensure the highest standards of integrity and business ethics are followed by all direct selling companies.

This organization will actively monitor the marketplace, including the websites and social media of both the direct selling salesforce and their supporting companies. It will also include a process for investigating, and reporting, potentially non-compliant companies to appropriate government agencies, and managing complaint resolution.

Yet despite the many advantages to engaging in this entrepreneurial activity, African Americans are underrepresented in direct selling as a percentage of the American population. 40 million African Americans live in the United States, making up around 13% of the nation's population according to the 2017 Census Bureau estimates. However, only 8% of direct selling representatives are African American, DSA statistics show. Amid the current labor environment of wage stagnation and increasing income inequality, direct selling can be a compelling opportunity for African Americans—especially those searching for supplemental income.

In fact, a consumer attitudes survey indicates African Americans have a higher favorability rating of direct selling when compared to the broader United States population. Likewise, African Americans are making considerable contributions to the market—in some cases representing more than 50% of the overall spending in key product categories. African Americans also have outsized influence over spending on essential items such as personal soap and bath needs ($573 million), feminine hygiene products ($54 million) and men's toiletries ($61 million), including luxury, non-essential products such as women's fragrances ($151 million of a $679 million industry). Most of these same products are sold within the direct selling family. Given that "passion towards the products being sold" is essential for creating entrepreneurial success, African Americans' proclivity towards these products shows how true wealth opportunities exist for those willing to become direct sellers.

IRS Free File

According to the Bureau of Labor Statistics, the median household income for African Americans is only $35,481, far below the $53,657 median for all households. For many of these households, their tax refund is their largest paycheck of the year and it's depended on for major financial decisions such as budgeting, covering household expenses, and paying down or eliminating debt.

The IRS Free File Program allows individuals making under $66,000 to file their taxes free, meaning they keep 100% of their tax refund—and 22 states plus Washington, D.C. allow these individuals to file state returns free as well. People can even choose the best free service to match their needs, as 13 companies donate their software through the program. Even better, the IRS ensures this is a consumer safety zone, meaning no fine print, cross marketing nor selling. This year, they even included new innovative technologies to eliminate tax time fraud.

The IRS Free File Program is an excellent example of a successful, fiscally sound public-private partnership. It amplifies and extends the work being done under the IRS Restructuring and Reform Act of 1998, and the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. It's a complimentary effort by the private sector focused on producing a public good.

Yet many low income households don't know this program exists, and instead fall prey to payday lenders and other enterprises that take a large portion refunds in exchange for immediate cash. More promotion of the program is necessary to help protect these consumers from predators and the potential for fraud, identity theft and the associated cyber crimes.

Alternative Credit Scores

Alternative sources of data are continuing to develop to evaluate creditworthiness, especially in the FinTech industry. Various products assess one's creditworthiness based on data a company may have on an individual or small business. This data often provides a better picture of the individual or small business—and allows the company to assess the proper risk, while providing access to credit to segments of the population that may not easily access it.

Financial education around credit scores is extremely important, as it helps consumers understand their score, the components that affect it, and empowers people to take control of their financial lives and increase the score.

Recommendations

- Address low down payment financing by preserving the 30-year, fixed-rate mortgage with a government guarantee portion of the loan. Also preserve the wide availability of low down payment financing mechanisms from all bank and non-bank lenders—nationwide and regardless of size or geography—in loan-level mortgage insurance coverage. Resist claims that it is good public policy to eliminate low down payment mortgages insured with mortgage insurance.
- Protect the limited resources of the FHA insurance program by focusing its use for those who need it most.
- Address the housing inventory crisis by including a homebuilding stimulus component in proposed infrastructure packages, investing in the preservation of the existing home stock, and increasing vocational training opportunities for individuals pursuing careers that support housing construction.
- Thoroughly review the proposed changes to the Qualified Mortgage Rule regarding debt-to-income ratios, full documentation, and product features such as negative amortization. Welcome improvements that benefit self-employed borrowers, small business owners and retirees.
- Urge the BCFP to reopen their rule on prepaid cards and address the revocation of liquidity for the unbanked and underbanked community.
- Support the adoption of a robust federal data breach notification standard. The standard should include a strong, yet flexible protection standard for all companies handling consumer sensitive data.
- Update the regulatory requirements of AML/BSA. The dated system needs to be modernized to include: a more targeted scope, increased threshold levels, and promoted use of communication between law enforcement and the financial sector. The burdensome cost will be reduced and savings passed onto the consumer.
- Work with government agencies, Congress, and independent third-party groups to suggest direct selling as an entrepreneurship opportunity. Support laws that create clarity for direct sellers as independent contractors, so they can continue having the freedom and flexibility to build a business. Also support laws distinguishing direct selling companies from unscrupulous businesses that can take advantage of individuals and do not provide consumer protections.
- Promote responsible data policy that facilitates access to credit for small businesses, simplifies their payroll and tax compliance, and connects individuals with beneficial government services such as Free File and EITC.

TRANSPORTATION

Transportation is the backbone of the U.S. economy. It allows Americans to commute to their jobs and personal destinations. Businesses thrive when they can move their goods and personnel in a safe and timely manner. Yet key areas exist to improve how our transportation itself is delivered and operated.

Dealer Diversity

The automotive industry offers an excellent opportunity to enhance diversity and equal opportunity—especially within the dealership network. Currently, only 1.4% (258) of the 18,000 new-car dealerships are owned by African Americans, even though African Americans purchase 10% of vehicles. The need for parity is becoming more and more prevalent than ever before.

The low percentage is mainly due to two factors: minority businesses encounter more difficulty getting access to capital, and minority dealerships are mostly first-generation and haven't yet achieved multi-dealership status. More, the minority dealer portfolio, and particularly African American dealers, are experiencing a rapid decline. The rise in interest rates and the continued threat of tariffs has the industry in a defensive position.

Each major automotive company has its own minority dealer development program that requires an individual have a minimum ownership percentage, day-to-day managerial control over dealership operations, and the opportunity to gain 51% ownership of the business over time.

Common ownership structures include trusts, holding companies and multiple individual investors. However, Small Business Association (SBA) rules for ownership and control penalize the dealer's ownership structure, preventing individuals from achieving Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE) status. In turn, the lack of status makes it hard for dealers to ever achieve that 51% ownership target. Therefore, participation in MBE or WBE certification programs is very limited, and the opportunity to participate in government or private sector fleet business is diminished too, due to not meeting MBE/WBE certification requirements. The SBA also needs increased funding for 504 and 7a loans, which can help minority dealers fund acquisitions and land purchases.

Transportation Innovation

New trends—such as active safety technologies, highly automated vehicles (HAVs) or self-driving cars, ridesharing and car sharing, connectivity, and propulsion—will have a transformational impact on the industry, creating jobs and economic opportunities. These trends will also make mobility safer, more accessible, more affordable and more environmentally friendly. Most impressively, they can help facilitate transportation solutions for low-income, urban and underserved communities, plus bring transportation independence to disabled and elderly communities. HAV technology, in particular, has the most potential to benefit consumers, commuters, city planners, and governments.

According to the Global Health Observatory, 1.25 million people are killed and 50 million are injured globally in vehicle crashes each year, with 2.3 million injured in U.S. alone. The National Motor Vehicle Crash Causation Survey indicates more than 90% of these crashes are caused by human error. HAVs can dramatically increase public safety because their automated system removes human error. Additionally, from an operational efficiency perspective, the U.S. Department of Transportation expects HAVs will play a key role in reducing transit operating costs, improving highway efficiency, and freeing up existing parking infrastructure.

Controlled projects are the next step in widespread HAV usage. In these projects, the vehicles are available through ride-sharing applications in defined geographic areas, letting manufacturers collect real world data and allowing the public to experience automated vehicle technology without a significant financial investment. These projects also encourage partnership with state and local governments.

Regulation of HAV design, construction and performance should occur at the federal level because NHTSA has authority to promulgate and enforce Federal Motor Vehicle Safety Standards (FMVSS), and has more expertise in this area than state legislatures and agencies. States should continue in their traditional regulatory role of enforcing traffic laws, vehicle registration, liability, insurance and vehicle titling, among others. Federal regulation of HAV design, construction and performance also creates uniform standards, preventing a 50-state patchwork of regulation that would impede innovation.

Existing Federal Motor Vehicle Safety Standards (FMVSS) don't contemplate unique and rapidly-changing HAV technology. Legislation can direct NHTSA to issue HAV-specific FMVSS, and to do so quickly (finalize within 18 months) to keep pace with this rapidly evolving technology.

While NHTSA develops HAV-specific FMVSS, legislation should expand existing exemptions from federal regulatory requirements for HAVs that can prove equivalent safety. These expanded exemptions enable the industry and government to keep pace with the rapid development of new technologies, while still ensuring consumer safety. NHTSA already has the discretion to grant exemptions to manufacturers in limited circumstances, and the FAST Act exempts established manufacturers from certain regulatory requirements for vehicles used for testing and evaluation purposes. Expanding these exemptions specifically for HAV developers must be achieved through legislation. In fact, in 2017 the House of Representatives passed the SELF-DRIVE Act, which would accomplish many of these objectives. The Senate must complete work on their companion bill so this important legislation can be signed into law without further delay.

Transportation Electrification

An electrified transportation sector can be an additional driver of economic growth, environmental sustainability, and global competitiveness. Electric vehicles (EVs), when coupled with a cleaner electric grid powered by renewable energy, can help greatly improve air quality by reducing emissions that contribute to smog and climate change.

According to Bloomberg New Energy Finance's latest forecast, sales of EVs are slated to increase from a record 1.1 million worldwide in 2017 to 11 million in 2025, then surge to 30 million in 2030 as EVs become cheaper to make than internal combustion engine (ICE) cars. China will lead this transition, with sales there accounting for almost 50% of the global EV market in 2025.

The future success of the EV market in the U.S. will be dependent on manufacturer supply and consumer demand. Under current law, a $7,500 tax credit is offered directly to consumers who purchase an EV. Once a manufacturer sells 200,000 EVs, the $7,500 tax credit issued to each of its consumers will be phased out to $3,750 over the following 6 months, then $1,850 for 6 additional months, before being eliminated altogether. Reform legislation should be considered to lift the per-EV manufacturer cap in the current tax credit, so future caps neither penalize market leaders nor shut out later arrivals to the EV market. It will also be fiscally prudent to sunset the credit once the nascent EV industry has had additional time to mature and grow. In the U.S., EVs make up only 1.8% of cars on the road today, but this could grow with the right set of policies. Additionally, efforts may be considered to ensure the tax credit, availability of charging infrastructure, and other benefits associated with electrification, are equitably distributed among low- to middle-income households and communities of color.

Governments and industries in Asia and Europe are working together to enact policies now to advance electric vehicles as a complimentary part of the transportation sector. Ceding the EV market to other countries amounts to ceding future U.S. automotive leadership. China is currently the largest EV manufacturing nation in the world,

making up a larger EV market than Europe and the U.S. combined, and we run the risk of being left far behind if we do not advance appropriate policies to help drive consumer demand for EVs and manufacturer investment in EVs.

As such, the U.S. must remove barriers to consumer adoption of EVs, and drive consumers' confidence that they can drive their EVs anywhere at any time. This is particularly important because the growth of the EV market will support other innovative and advanced mobility solutions like car-sharing, ridesharing, and self-driving vehicles or HAVs. The U.S. can be a leader on the road to electrification by:

- Modifying the current consumer-based EV tax credit, which penalizes early adopters of the technology.
- Establishing national policies to drive consumer awareness and adoption of EVs, especially among low- to middle-income communities and communities of color.
- Promoting strategic public-private partnerships to advance charging stations and related infrastructure.
- Developing regulatory incentives to support US electric battery suppliers, who can spark job growth with advanced battery development and production.

Fuel Economy Regulations

In an effort to reduce the conflicting fuel economy requirements facing automakers at the federal and state levels, the One National Program was introduced in 2009. The affected regulatory programs include:

- The NHTSA Corporate Average Fuel Economy (CAFE) program.
- The EPA vehicle carbon dioxide (fuel economy) reduction program.
- A similar greenhouse gas reduction program overseen by the California Air Resources Board (CARB).

In 2012, when the requirements for years 2017 to 2025 were created, attempts were made to harmonize the various programs as fully as possible. In fact, the Regulatory Announcement of August 2012 stated that "continuing the National Program ensures that auto manufacturers can build a single fleet of U.S. vehicles that satisfy requirements of both federal programs as well as California's program."

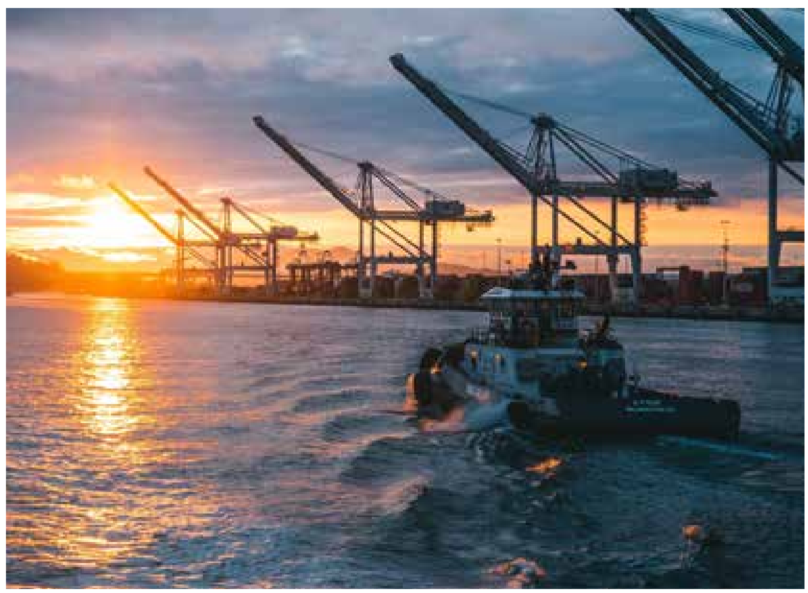
However, the One National Program still amounts to three separate regulatory programs, created under three separate statutes, managed by three separate regulatory agencies. As a result, the mechanics of the three

programs and the flexibilities permitted in each are different. Compliance with one federal program does not guarantee compliance with all. This disparity, if not adequately addressed, will impact consumers already recovering from the recession by creating higher costs for new vehicles and mandating vehicle production where consumer demand is low or non-existent.

In addition, the Renewable Fuels Standard (RFS), which was originally put in place in 2005 and later expanded in 2007, requires, by statute, the amount of renewable fuel to be blended into transportation fuel by increasing volumes annually until 2022. The RFS was created to reduce greenhouse gas emissions and expand the nation's renewable fuels sector while reducing reliance on imported oil. As it stands, the U.S. is being fed by an abundance of domestic oil reserves and our carbon footprint has lowered, but the statutory limits for renewable fuels set in place by the Energy Independence and Security Act of 2007 are out of step with the realities of the time.

Each year since 2014, the EPA has had to decrease the level of renewable fuels, or Renewable Volume Obligations (RVO), in order to meet current market dynamics and protect consumers from potential damage. Americans are not consuming as much gasoline as Congress estimated when the law was passed in 2007. Since then, motor gasoline demand projections have declined. Demand is 12% less than where it was expected under the RFS, and by 2022 will be 22% lower than the RFS forecasted. Increased fuel efficiency has played a large part in shrinking gasoline demand. Legislative changes should be enacted to meet market realities.

America's Domestic Maritime Industry



Tugboats, towboats and barges—the largest segment of the U.S. domestic maritime industry—are another essential component of the country's multi-modal transportation system. Approximately 5,500 towing vessels and 31,000 barges help fuel the economy, moving more than 760 million tons of cargo annually—including petroleum products, chemicals, coal, grain, steel, aggregates and containers. All of this happens on inland and intracoastal waterways, the Atlantic, Pacific and Gulf coasts, and the Great Lakes. Tugboats also provide ship assist, bunkering and other services in ports and harbors around the country.

Over 300,000 American jobs are supported by tugboats, towboats and barges, providing an additional source of family-wage jobs and upward mobility, especially for those without college degrees. An individual with a high school diploma can start as a deckhand at age 18 and, within 10 years, progress to earning more than $100,000 annually as a vessel captain or pilot. For individuals from underserved communities, the industry provides job opportunities that are not geographically limited. Mariners live aboard the vessels on which they work for up to a month at a time, meaning they need not be constrained by close proximity to their employer. These jobs also foster a deep commitment to safety. After 14 years of cooperative work between the U.S. Coast Guard and the industry, last year landmark regulations took effect, significantly elevating safety standards.

Like other vessels moving cargo between U.S. ports, tugboats, towboats and other barges are American-owned, American-crewed, and American-built. This keeps well-paying maritime jobs in American hands and serves as a homeland security force multiplier. Mariners on domestic vessels are fully vetted and credentialed U.S. citizens that serve as extra eyes and ears on the water, helping report and deter threats to homeland security. The U.S. Military Sealift Command depends on the country's mariners to provide quick mobilization of sealift capacity in the event

of a national emergency, and the Department of Defense has consistently emphasized the military importance of a strong domestic shipbuilding industry. In addition, vessels in the U.S. domestic trade are subject to the full array of U.S. safety, environmental, labor, immigration and tax laws, in contrast to foreign vessels that may operate under flags of convenience to avoid labor, regulatory and tax obligations.

Authority Over Maritime Commerce

Like other transportation modes, tugboats, towboats and barges operate in an interstate capacity; a vessel may pass through the waters of a dozen states in the course of just one voyage. A uniform, nationally consistent regulatory regime for vessels in interstate commerce—administered and enforced by knowledgeable federal agencies—is vital to the safety, efficiency, and viability of domestic maritime commerce, and to the U.S. economy as a whole (the U.S. Coast Guard, an agency of the Department of Homeland Security, is the principal regulator of industry).

A patchwork of inconsistent, overlapping or conflicting state laws can grind economically critical maritime commerce to a halt and result in confusion, inefficiency, and diminished marine safety. Regulations that vary when a vessel crosses an imaginary line in the water are particularly challenging for mariners, who face civil and potentially criminal penalties for violations. Congress must ensure that federal laws provide for a uniform regulatory regime, and use its oversight authority to ensure federal agencies actively defend federal preemptive authority over state attempts to regulate maritime commerce.

Infrastructure Investment

According to the Bureau of Economic Analysis, United States freight shipments are expected to increase by 41% by the year 2040. America's freight railroads are positioned to meet this demand by leveraging its nearly 140,000-mile network. Over the past decade, railroads have funded their infrastructure at an average of $24.1 billion a year, spending 40 cents of every revenue dollar on capital expenditures and maintenance. This investment benefits more than just physical infrastructure; it also supports approximately 1.5 million U.S. jobs, with freight railroads directly employing about 160,000 workers. In fact, Class I freight railroads are approximately 85% unionized with the average employee salary and benefits totaling $120,000.

Yet railroads can't meet this freight challenge alone, and America's infrastructure—and mechanism to pay for it—are fundamentally broken. In 2017, railroads received a "B" rating from the American Society of Civil Engineers while the nation's infrastructure as a whole received a "D+," the same grade it received in 2013.

Our highway transportation infrastructure's traditional funding source—the Highway Trust Fund (HTF)—is funded through state and federal gas taxes. Unfortunately, the gas tax has not produced enough revenue to fund authorized infrastructure spending for several years, requiring $140 billion since 2008 from the Department of Treasury's general fund. According to the Congressional Budget Office, HTF revenue will be insufficient to meet its obligation by 2021. As solutions are evaluated to ultimately grow highway revenues to invest in roads and bridges, American businesses that ship their goods across and from the U.S. should be at the table. These user-fees will be borne by the shipper, so they must be developed in a way that works in today's supply chain without impacting jobs and the economy. New highway revenues must be used only for roads and bridges, not unrelated projects. Working with shippers is a critical way to move this discussion forward.

Congress has an opportunity to create a sustainable funding solution for the HTF through a potential infrastructure package, or FAST Act reauthorization. Policymakers should consider user-fee-based solutions for freight like a Vehicle Miles Traveled (VMT) fee or gas tax increase. Leading manufacturers who move significant freight are ready to work hand in hand with Congress on solutions to invest in infrastructure.

In addition, with semi and fully autonomous vehicles (AVs) and platooning trucks being test-driven on the nation's highways, the U.S. Department of Transportation (DOT) recently released guidance (Preparing for the Future

of Transportation: Automated Vehicles 3.0) stating the need for AVs to safely interact with key infrastructure—including highway-rail grade crossings. This functionality, which can enable AVs to stop at grade crossings and prevent them from parking on train tracks, is absolutely vital. DOT data shows that 94% of grade crossing accidents are due to risky driving behavior, which AVs can help stop. Also, America's railroads continue to engage in this safety conversation, deploying advanced technologies like Positive Train Control, machine-vision wheel inspections, and "beyond line of sight" drone use to make an already safe rail network safer and meet freight demand.

In order to facilitate even greater technological gains towards safety and efficiency, a more modern, efficient railroad regulatory framework is necessary—one that clearly defines challenges, utilizes solid data, and creates performance-based outcomes. Such a framework encourages productivity enhancements and spurs innovation, giving America an even more time- and cost-efficient method of handling its future freight needs. For example, the Federal Railroad Administration recently proposed a requirement that two operators be present in the cab of a locomotive, without providing supporting data that suggests a safety gain would result. However, a performance-based framework would outline a desired outcome, allowing railroads to work alongside regulators to develop and test solutions that create the most impactful and effective results possible.

America's waterways are also marine highways for the safe, reliable, and efficient movement of freight, and an essential part of a robust, multi-modal national transportation system. Congress and the Administration should work together to invest in waterways infrastructure to benefit all modes of surface transportation, reducing congestion on our nation's highways and railroads while producing a smaller carbon footprint.

Inland barge operators contribute substantial revenues to modernize the waterways infrastructure. In 2015, they supported a 45% increase in the federal diesel fuel tax to augment the Inland Waterways Trust Fund, a public-private partnership that funds investments in locks and dams on the inland waterways. Additionally, Congress should pass biennial water resource development bills, which provide for inland waterways modernization projects at the maximum funding amount supported by expected Trust Fund revenues. Congress must also reject policies that hinder or halt navigation, as well as additional taxation, lockage fees or adverse changes to cost-sharing for inland waterways transportation. If the federal government allows the U.S. Army Corps of Engineers or third-party entities to impose user fees or lockage tolls on inland waterways users, barge transportation will no longer be cost-effective for American farmers, producers and shippers.

United States, Canada and Mexico Agreement

In October 2018, the United States, Mexico, and Canada reached an agreement on a new trade deal to replace the North American Free Trade Agreement (NAFTA), called the United States-Mexico-Canada Agreement (USMCA). USMCA makes key changes to the North American free trade landscape. For example, to qualify for zero tariffs, automakers must produce 75% of a vehicle's content in North America. It also mandates that by 2023, 40% of parts of any tariff-free vehicle must be produced by workers earning an average of $16 an hour, which is intended to guarantee that more cars and auto parts will be produced in the United States. The agreement also stipulates that Mexico must make it easier for workers to form unions. Unlike in the existing NAFTA, USMCA's labor and environmental chapters are enforceable and subject to the agreement's dispute settlement provisions. This new agreement also has a first-of-its-kind currency discipline, which may provide a model for other future agreements.

USMCA also reached a compromise on the sunset clause provision. The deal will last 16 years, but after six years the countries will conduct a review and have the option to extend the deal further.

Over the past 25 years, NAFTA has been especially vital to the 8 million jobs provided by America's automotive industry. Passage of the bill implementing USMCSA helps maintain and increase these jobs, which currently pay $500 billion in annual compensation.

Still, all international trade and investment policy must be assessed holistically. A final assessment of USMCA must be combined with an assessment of the impact and potential impact of all trade and investment actions, including the Section 301 China remedies, Section 232 steel and aluminum tariffs, and the retaliatory impacts of these and other trade actions.

Section 232 Tariffs

In February 2018, as part of its "Section 232" steel and aluminum investigations under the Trade Expansion Act of 1962, the U.S. Department of Commerce recommended imposing a 25% tariff on the imports of steel, automotive parts, and automobiles, plus a 10% tariff on aluminum, citing the purpose of protecting U.S. national security. Those recommendations were announced in February 2018, and formally adopted and implemented by the President in March 2018.

In May 2018, the U.S. Department of Commerce announced it would also begin an investigation on imported automobiles and motor vehicle parts. If the investigation proves a national security threat exists, it would give the administration broad legal authority to impose tariffs on goods in the interest of national security.

Notably, in connection with USMCA, the United States entered into bilateral side letters exempting limited quantities of auto imports from Canada and Mexico from potential 232 tariffs.

Although the focus of tariffs is on protecting manufacturing and other jobs, and ensuring a level playing field with our international trading partners, these tariffs will do the opposite. To quote the Industry, Labor & Economics Group at the Center for Automotive Research, "tariffs are taxes on American consumers. We're going to sell fewer cars. And not only do we buy car parts from the rest of the world, we sell parts to the rest of the world, especially Canada. It's all going to cost more. These are not things producers can choose to not pass along. This hits profits. This means less reinvestment. It starts a downward cycle that isn't good." These tariffs will have a devastating impact on the automotive and auto parts industry, along with other industries that rely on steel and aluminum.

According to the World Economic Forum Transportation Council, 95% of American households own or lease at least one vehicle. Raising tariffs on autos and auto parts creates a massive tax on these American consumers, no matter whether their vehicles are imported, or domestically produced. A 25% tariff results in the price of a vehicle skyrocketing by as much as $6,900. Similarly, parts used in repairs become more expensive, leading to some consumers foregoing necessary repairs and routine maintenance, which undermines the vehicles' fundamental operating safety and efficiency. This puts everyone on and around our roads at risk.

Further, higher costs mean demand will inevitably fall, leading to a decline in annual sales of as many as 2 million vehicles, according to the Center for Automotive Research. Such a staggering drop could lead to the loss of more than 700,000 jobs, and a nearly $60 billion drop in U.S. GDP—not including the additional drop in GDP from job losses and the retaliatory actions America's trade partners will inevitably take, which is estimated to result in an additional 500,000 jobs lost.

Clearly, protecting U.S. jobs and the American economy at large requires rescinding these tariffs.

Recommendations

- Create an exception in SBA ownership and control eligibility for the automotive retail sector, due to the unique and historic nature of the ownership structures. Minority and women-owned automotive dealerships can then gain better access to MBE/WBE certification and the opportunity to participate in fleet contracts, the lifeblood of the industry.
- Ensure the benefits, experiences and acceptance of HAVs become widespread faster. This can occur by: supporting nationwide controlled ride-sharing projects, keeping NHTSA regulations up-to-pace by issuing HAV-specific FMVSS in a relatively quick timeframe, and maintaining regulatory and legislative uniformity by making federal law preempt state law.
- Significantly reform the Renewable Fuels Standard (RFS) to meet the current market dynamics, including energy demand, biofuel production, and market constraints.
- Address inconsistencies in the fuel economy programs run by the EPA and NHTSA, and CARB, by moving to one true national standard.
- Establish national policies to drive consumer awareness and adoption of EVs, especially among low- to middle-income communities and communities of color. Modify the current consumer-based EV tax credit, which penalizes early adopters of the technology.
- Promote strategic public-private partnerships to advance charging stations and related infrastructure. Also develop regulatory incentives to support US electric battery suppliers, who can spark job growth with advanced battery development and production
- Support American jobs and security by supporting the domestic maritime industry.
- Ensure federal laws governing the operation of vessels in interstate commerce explicitly preempt state regulation and hold executive branch agencies accountable for actively defending federal authority over vessel operations.
- Create a sustainable funding source for the Highway Trust Fund through mechanisms like vehicle miles traveled or a user-based fee.
- Ensure that waterways infrastructure is an essential element of any national infrastructure legislation, and pass biennial water resources development bills that support robust funding for inland waterways infrastructure modernization.
- Spur innovation by developing an FRA regulatory framework which clearly defines challenges, utilizes data, and supports performance-based outcomes.
- Rescind Section 232 tariffs to protect American jobs, eliminate the threat of less safe roadways due to under-maintained vehicles, and place more disposable income in Americans' pockets.

NATIONAL SECURITY

In 1962, President John F. Kennedy delivered his memorable speech about space, stating, "we choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard." Since then, Americans have forged ahead into the unknown, establishing a superiority in space that would go unchallenged for decades. As we face the dawn of a new era in space, it is critical that we keep and maintain our advantage, particularly as Russia seeks to regain its lost prominence and China's program gains increasing momentum. To build on America's strong foundation in space exploration and utilization, we must create a series of policies and proposals that ensure we remain the dominant nation in space. In short, we must institutionalize our nation's access to space via successful, reliable launches while supporting a stable pipeline for a domestic supply base of critical technologies and a highly skilled, organized workforce.

Superiority in Space

Over the past decade, the Department of Defense (DOD), National Aeronautics and Space Administration (NASA) and U.S. intelligence community have seen unmatched resilience, reliability and success in launching national security and science payloads. The overwhelming majority of these launches were on rockets built by highly skilled, organized labor. These payloads have provided Americans with global position systems (GPS), missile warning systems, weather prediction devices, and secure communications devices. Whether it be a STEM teacher on a high school campus, a professor of meteorology at a research university, or a young soldier on the battlefield, our leadership in space has provided them the necessary tools to protect our homeland from harm, both natural and manmade.

Institutionalizing American dominance in space requires focus on a clear mission, with tangible goals and outcomes, buttressed by safe, standardized practices that deliver the best value to American taxpayers. This focus must be maintained across all sectors, from the civilian to the top-secret functions of national reconnaissance organizations, whose programs include several types of satellites.

Space Based Infrared System (SBIRS) are considered one of the nation's highest priority satellites. They are designed to provide global and

persistent infrared surveillance capabilities to meet 21st century demands in four national security areas: missile warning, missile defense, technical intelligence, and battlespace awareness.

Advanced Extremely High Frequency (AEHF) satellites are jam-resistant and provide vastly improved global, survivable, protected communications capabilities for strategic command and tactical warfighters operating on ground, sea and air platforms. AEHF allows for the transmission of tactical military communications, such as real-time video, battlefield maps, and targeting data. In addition, AEHF provides critical, protected communications links for national leaders, such as the President and Joint Chiefs of Staff, in all levels of conflict. These satellites also serve international partners including Canada, the Netherlands and the United Kingdom.

Mobile User Objective System (MUOS) is a next-generation tactical satellite communications system that significantly improves ground communications for U.S. forces on the move. MUOS provides military users more communications capability over existing systems, including simultaneous voice, video and data—similar to the capabilities experienced today by civilians using smart phones.

Global Positioning System (GPS) satellites serve and protect our warfighters by providing navigational assistance for U.S. military operations on land, at sea, and in the air. Civilian users around the world also use and depend on GPS for highly accurate time, location, and velocity information. All GPS satellites have launched on Atlas V, Delta IV, and their heritage vehicles.

The DOD and the U.S. Air Force also launch all of our nation's National Reconnaissance Office (NRO) payloads, using companies that employ highly skilled, diverse and organized work forces. NRO systems are capable of:

- Monitoring the proliferation of weapons of mass destruction.
- Tracking international terrorists, drug traffickers, and criminal organizations.
- Developing highly accurate military-targeting data and bomb-damage assessments.
- Supporting international peacekeeping and humanitarian relief operations.
- Assessing the impact of natural disasters, such as earthquakes, tsunamis, floods, and fires.

The Air Force, NRO, and NASA spend over a billion dollars per year on space launch. The U.S. needs a resilient, reliable and economical way, using companies with highly skilled and organized work forces, to assure space access for its military and government launch programs.

Remarkably, even in 2019—despite the incredibly intricate and dangerous nature of space technology—newer entrants to the commercial marketplace refuse to use highly skilled unionized laborers to manufacture their rocket engines and assemble their launch vehicles.

The same split often seen in other industries is also present in missile launch. Established commercial spaceflight companies often have a unionized workforce and maintain a good relationship with it, while newer organizations affiliated with existing Silicon Valley technology companies and well-known technology CEOs avoid working with skilled labor just as much as they do in their other endeavors. The results—including the lower wages that lead to decreased economic impact by workers within their local economies—are definitely a matter of concern.

Similarly, the management and executive ranks of these newer, "disruptive" commercial space companies have an absolute lack of diversity among their ranks. The same is true at their board of director and investor levels. This is in stark contrast to industry peers who are unionized at every level and understand that a diverse management and executive structure leads to better business decisions and results.

A verifiable safety benefit also exists when launch engines and vehicles are built by unionized workers with a diverse management. Unionized employees with a record of safety and product success should be the rule rather than defaulting to a simple Lowest Price-Technically Available (LPTA) standard, which was never intended for a DOD mission as important as spaceflight.

While LPTA has a positive effect when it comes to the procurement of office supplies, it was never intended for highly sophisticated technology like the launch vehicles that carry our nation's most sensitive multi-billion-dollar military, critical communications and intelligence gathering satellites into orbit.

Recommendations

- Support our nation's most critical space assets, especially those built with the support of tax dollars and launched for NASA and the Air Force, by having these launch vehicles built by the most skilled, unionized craftsmen and women.
- Work with the Air Force in the coming year to eliminate the LPTA standard's use for evaluating commercial and non-commercial space contracts.
- Support policies that encourage commercial customers to use U.S.-built launch vehicles. Oppose policies that send taxpayer-funded payloads to overseas launch providers, which threatens our workforce.
- Expand the diversity drive to demand more diversity in the management, executive and board/investor-level at all companies; especially commercial space companies affiliated with Silicon Valley.

2018 Photo Gallery







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